

# **Corporate Organization**

**Corporate Policies**

## **Comptroller's Corporate Manual**

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This booklet should be used together with other booklets of the *Comptroller's Corporate Manual*. Users of the "Corporate Organization" booklet should refer to the "[General Policies and Procedures](#)" (GPP) booklet for a discussion of general filing instructions and procedures. Users also may refer to the following booklets: "[Charters](#)," "[Conversions](#)," "[Business Combinations](#)," and "[Failure Acquisitions](#)."

## Applicability

The policies and procedures in this booklet cover the organization of a new national bank, conversion from a thrift or state bank to a national bank, and the establishment of a new national bank to acquire a failed institution. The policies and procedures for organizing an interim national bank can be found in the "[Business Combinations](#)" booklet.

Users also will find this booklet helpful in dealing with the Comptroller of the Currency (OCC) on corporate changes that affect all established national banks. For example, in this booklet, the OCC provides guidance and sample forms for:

- Changes to the bank's [Articles of Association](#).
- Changes to the bank's [Bylaws](#).
- Oaths of national bank directors.

Established national banks also should refer to the "Review of Regulatory Reports" booklet of the *Comptroller's Handbook* for complete guidance on recurrent corporate regulatory requirements.

## Definitions

An entity controlling 25 percent or more of a bank must register as a **bank holding company** (BHC) if the controlled bank is covered by the definition of a bank found in the Bank Holding Company Act (BHCA) (12 USC 1841(c)). Certain limited purpose banks (e.g., credit card banks and trust banks) are not identified as banks under the BHCA.

A **de novo BHC** is one that has been in existence less than three years, including one that is in the process of formation.

**Executive officer** positions normally include the chairman of the board, the president, every vice president, the cashier, the secretary, and the treasurer, consistent with the definition in 12 CFR 215.2(e)(1).

An **existing BHC** is one that has received Federal Reserve Bank approval to become a BHC and has been operating for at least three years prior to filing its application to organize a new bank.

**Final approval** means the OCC action issuing a charter certificate and authorizing a national bank to open for business.

**Holding company** means any company that controls or proposes to control a national bank regardless of whether it is a BHC under 12 USC 1841(a)(1).

An **insider** is a proposed organizer, director, principal shareholder, or executive officer of the proposed national bank.

A **national bank** means an insured or uninsured national banking association and any bank or trust company located in the District of Columbia operating under the OCC's supervision.

The **organization** phase for a national bank covers the period between the time the OCC grants preliminary approval to the application and the day the national bank opens for business.

**Organization costs** are the direct costs incurred to incorporate and charter a bank. Such direct costs include, but are not limited to, professional (e.g., legal, accounting, and consulting) fees and printing costs related directly to the chartering or incorporation process, filing fees paid to chartering authorities, and the cost of economic impact studies. Organization costs incurred by newly chartered banks should be capitalized.

**Organizers** are the persons who filed and signed the charter application. Organizing directors may be added during the organization phase, if their [Interagency Biographical and Financial Reports](#) are filed with the OCC and receive no objection. Those directors also become "organizers."

**Organizing group** means five or more persons acting on their own behalf, or serving as representatives of a sponsoring holding company, who apply to the OCC for a national bank charter.

**Preliminary approval** means a decision by the OCC to permit an organizing group to proceed with the organization of a proposed national bank. A preliminary approval generally is subject to certain requirements that an

applicant must satisfy before the OCC will grant final approval. As used in this booklet, the term preliminary approval includes an application granted "preliminary conditional approval" (i.e., subject to special conditions in addition to standard requirements).

**Reopening expenses** (e.g., salaries, employee benefits, rent, depreciation, supplies, directors' fees, training, travel, postage, and telephone) are not considered organization costs and should not be capitalized. In addition, allocated internal costs (e.g., management salaries) shall not be capitalized as organization costs.

A **principal shareholder** is a person, other than an insured bank, that directly or indirectly, or acting through or in concert with one or more persons, owns, controls, or has the power to vote more than 10 percent of any class of voting securities of the proposed bank consistent with the definition in 12 CFR 215.2(m).

The **spokesperson** is an organizer and proposed director of a proposed bank who is designated by the organizing group to represent it in all contacts with the OCC. In certain circumstances (excluding independent charters), the spokesperson alternatively may be a representative of one of the following:

- A holding company sponsor.
- Individuals currently affiliated with other depository institutions.
- Persons otherwise, in the OCC's view, who collectively are experienced in banking and have demonstrated the ability to work together effectively.

## Key Policies

### General

A national bank becomes a corporate body or legal entity on the date the organizers adopt the [Articles of Association](#) and [Organization Certificate](#). After becoming a legal entity, an organizing group elects a board of directors. As a corporate body, the organization may enter into contracts and perform all necessary actions other than the business of banking.

The OCC will not grant final approval until standard requirements and any special conditions have been met. The bank may not commence the business of banking until the OCC grants final approval.

## Directors and Officers

The OCC expects all directors to exhibit substantial personal and financial commitment to a new national bank. Executive officers of a new national bank should also make a substantial commitment to the organizing bank. Accordingly, directors and officers should be willing to contribute time and expertise to the bank's organization. They should, neither unduly rely upon, nor make excessive charges to the bank for those services. Normally, they should not be compensated for marketing or aiding in stock solicitation.

For two years from the date the bank commences business, the OCC may object to and preclude the hiring of any officer or the appointment or election of any director. Each person proposed as an officer or director must provide the OCC with the appropriate biographical reports and financial statements (see the "[Background Investigations](#)" booklet of the *Comptroller's Corporate Manual*).

## Stock Benefit Plans

When structured properly, stock benefit plans, including stock options, stock warrants, and similar stock-based compensation plans, can be an acceptable form of compensation. The structure of stock benefit plans should encourage the continued involvement of the participants and the successful operation of the national bank. Stock benefit plans should contain no feature that would:

- Encourage speculative or high-risk activities.
- Serve as an obstacle or otherwise impede the sale of additional stock to the general public.
- Be structured to convey control of a national bank to the insiders.

In reviewing stock benefit plans proposed for directors and officers, the OCC will consider:

- A limited duration of rights, of less than 10 years.
- An exercise price of stock rights, which shall be no less than the fair market value of the stock at the time that the rights are granted.
- A stock benefit plan that allows the OCC to direct the national bank to require plan participants to exercise or forfeit their stock rights if:
  - Capital falls below regulatory minimums as set forth in 12 CFR 3, or a higher requirement as the OCC may determine; or



- The existence of outstanding warrants impairs the bank's ability to raise capital.
- Rights granted that encourage the recipient to remain involved in the proposed national bank (e.g., vesting of approximately equal percentages each year over the initial three years of operations). The OCC may waive the vesting requirement for participants awarded only a nominal number of shares.
- Stock rights that are not transferable by the participant and must be exercised or forfeited within a reasonable time after the officer, employee, or director is no longer an active participant in bank operations.

The OCC will review separately stock benefit plans established to compensate organizers who have placed personal funds at risk to finance the organization of the proposed national bank or who have provided professional or other services to facilitate the organization of the national bank. In reviewing the reasonableness of such plans, the OCC will not require vesting or restrictions on transferability, but will review the duration of the rights, strike price, and exercise or forfeiture clauses using the same criteria applied to directors and officers. In addition, the OCC will consider:

- The organizer's time, expertise, and financial commitment to the proposal.
- The amount and basis of any cash payments that will be made to the organizer for services rendered or as a return for funds placed at risk.

The OCC considers as unacceptable compensation proposals that allow insiders to purchase or acquire a separate class of bank or BHC stock with greater voting rights or to purchase stock at an original issue price lower than that paid by other investors. Such arrangements raise concerns about the bank's ability to raise additional capital, allow control without a proportionate financial investment, and make it difficult for other shareholders to remove directors who hold such stock if they manage the bank in an unsafe manner.

## Transactions with Insiders

Any financial or other business arrangement, direct or indirect, between the organizing group or other insiders (i.e., executive officers, directors, and principal shareholders) and the proposed bank must be made on terms that are at or below market value or comparable standards. Although the bank

may receive preferential treatment from the insider, the insider may not charge the bank a higher rate or require more onerous terms than those prevalent in the market.

Any contracts between the bank and any insider for services should include provisions addressing obligations of and options available to the parties should the OCC revoke its approval or object to a proposed executive officer (see the "Insider Activities" booklet of the *Comptroller's Handbook*).

## Organization Costs

An organizing group funds the operations of a national bank in organization through a bank loan or personal loans from individual organizers. The loan(s) may not be repaid until after the capital funds are deposited in the bank and the shareholders authorize repayment.

At the first shareholders' meeting, shareholders review documentation for organization costs and commitments, evaluate their reasonableness, and authorize them as appropriate. Normally, the OCC will allow expenses incurred by the organizing group in making application for and organizing a bank to be charged to the bank's capital.

Organization costs (see the Definitions section) incurred by newly chartered banks should be capitalized and amortized using the straight-line method over a period not to exceed five years. The unamortized balance of a bank's organization costs should be included on the balance sheet as an intangible asset.

Reopening expenses, including allocated internal costs, are not considered organization costs and should not be capitalized. In addition, allocated internal costs, such as management salaries, are reopening expenses and not organization costs. Reopening expenses incurred from the bank's inception through the date it commences operations should be reported on the income statement during the calendar year that the bank begins operating.

The cost of purchasing and leasing bank premises should be capitalized in the cost of the asset. This would include interest costs incurred during the period the asset is under construction.

The existence of undocumented, unnecessary, inappropriate, or excessive organizational costs reflects poorly on the organizing group. The OCC may prohibit the bank from reimbursing the organizers for such costs. In such cases, the organizers personally are responsible for any expenses the OCC disallows. Under certain circumstances, the OCC may require that the organizers raise additional capital to offset unplanned, but legitimate, expenses.

All fees and organization costs must be disclosed fully in the offering document to prospective shareholders. Sufficient information must be made available to assist in an evaluation of the reasonableness of such expenses.

The existence of a contract involving a fee dependent upon any action, decision, or forbearance by the OCC will be grounds for disapproval of the application or for withdrawal of the preliminary approval (e.g., a contract may not state "When the OCC approves the application, the consultant will be paid a bonus equal to \$(amount) or (percent)").

The organizing group alone is responsible for expenses incurred for a disapproved or withdrawn application, or an application whose preliminary approval is later revoked. The directors and organizers must pay such expenses for banks that do not open.

## Advances from Organizers

With prior OCC approval, an organizer may apply any advances made to the organizing effort toward the purchase of shares. The OCC will be guided by the following principles:

- The expenses incurred are documented and disclosed to shareholders with the necessary information to evaluate reasonableness.
- The OCC reviews the organizers' expenses and concurs that they are reasonable.
- The stock is issued at no less than par.
- If the application is not approved, the organizers are not reimbursed the value of the stock issued in lieu of expenses paid (i.e., organizers are responsible for start-up expenses for disapproved applications).

When the organizer's advances to the organizing effort are credited toward the purchase of shares they have committed to buy, such shares need not be discounted for foregone interest that the bank would have normally received on such funds had they been held in a stock subscription account pending the issuance of stock.

## Significant Changes

During the organization phase, proposed changes may alter materially the underlying factors upon which the OCC based its decision to approve the application. Those changes may have a positive or negative effect on the application. Organizers should notify the OCC promptly of significant

changes when they occur or are proposed. The OCC will reevaluate the original proposal in light of a significant change in any matter concerning the organizing bank. Such matters include, but are not limited to, changes in the:

- Organizing group's composition.
- Chief executive officer (CEO).
- Ownership distribution.
- Biographical or financial information of the CEO or organizers different from what they previously disclosed to the OCC.
- Condition of a sponsoring parent company, affiliate, or participating bank.
- Operating plan.
- Year 2000 compliance of the bank and/or its vendors.
- Location of the main and/or branch office.
- Scope of proposed activities (e.g., adding a fiduciary operation to a commercial bank's operations).

After evaluating the change, the OCC will determine whether to allow organization of the bank to continue or to revoke preliminary approval.

## Registration Statements

All organizing banks issuing securities must comply with the OCC's Securities Offering Disclosure Rule (12 CFR 16) by filing a registration statement, or by relying on an applicable exemption from the requirement to file a registration statement. Organizers may wish to consult with securities counsel in preparing Securities and Exchange Commission (SEC) forms, or refer to guidance and sample forms provided in the regulation and other industry sources (e.g., the *Appeal Securities Act Handbook* published by Browne & Co., Inc.).

If an organizing bank files a registration statement with the OCC, the statement will not be declared effective until a president has been selected by the organizers and cleared by the Licensing staff. Amended registration statements also must comply with 12 CFR 16.

The sale of holding company stock may require filing documents and/or review/registration with the SEC.

## Year 2000 Considerations

The OCC expects all national banks to have an action plan to address year 2000 systems issues. The OCC will consider those issues in deciding an application for a new bank charter.

### OCC Guidance

The OCC has issued the following advisory letters about year 2000 systems issues:

- [Advisory Letter 97-6](#) (AL 97-6), dated May 16, 1997, which outlines comprehensive guidance for banks to effect a year 2000 compliant system.
- [Advisory Letter 97-10](#) (AL 97-10), dated December 17, 1997, which outlines safety and soundness guidelines for year 2000 business risk.
- [Advisory Letter 98-1](#) (AL 98-1), dated January 20, 1998, which outlines OCC year 2000 expectations for year-2000-covered applications.

Advisory Letters established the following target time frames to accomplish critical actions for year 2000 compliance:

- September 30, 1997 — The bank should have identified affected applications and databases. Mission critical applications should be identified and an action plan set for year 2000 work.
- June 30, 1998 — The bank should have implemented a process which identifies, assesses, and controls the year 2000 risks (i.e., credit, liquidity, or counterparty trading risks) posed by their customers.
- December 31, 1998 — Code enhancements and revisions, hardware upgrades, and other associated changes should be largely completed. In addition, for mission critical applications, programming changes should be largely completed and testing should be well underway.

Between January 1, 1999 and the end of that year, the bank should be testing and implementing its year 2000 conversion programs.

### Assessment of Year 2000 Compliance

Each charter applicant must ensure compliance with [AL 97-6](#), [AL 97-10](#), [AL 98-1](#), [AL 98-3](#), and any other subsequent OCC year 2000 guidance. During the corporate review process, the Licensing staff will consult with the appropriate supervisory staff (i.e., portfolio manager, ADC, or BIS) to verify

that the bank is on schedule with the target time frames of AL 97-6 or subsequent guidance. For the most current guidance about year 2000 issues, refer to the OCC's Internet site, <http://www.occ.treas.gov> or call the OCC Information Line (fax-on-demand service).

For a new bank charter:

- Licensing staff will:
  - Seek a representation from the applicant of year 2000 compliance and an action plan that complies with year 2000 guidance.
  - Coordinate a review of year 2000 preparedness in consultation with supervisory staff.
- The OCC:
  - Expects any new, internally-developed systems to be year 2000 ready.<sup>1</sup>
  - Encourages the bank to choose a year 2000 ready vendor, when possible, if it plans to purchase applications software or systems or to contract for data processing services.

During the corporate review process, the Licensing staff will consult with the appropriate supervisory staff (i.e., portfolio manager, ADC, or BIS) to verify that the bank is on schedule with the target time frames of [AL 97-6](#) or subsequent guidance.

### **Deficiencies or Concerns**

In the event the bank selects a vendor that is not yet year 2000 ready, the OCC will determine whether the bank has sufficient due diligence in place to ensure that:

- The vendor has a year 2000 compliance plan.
- The vendor has sufficient resources (e.g., hardware, people, dollars) to complete its year 2000 conversion project within the time frames of [AL 97-6](#), [AL 98-3](#), and subsequent OCC year 2000 guidance.
- Bank management monitors its vendors' year 2000 conversion efforts

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<sup>1</sup>When the applicant belongs to a larger domestic or foreign banking organization, existing in-house systems will be subject to the year 2000 compliance time frames of OCC Advisory Letter 97-6 or subsequent guidance.

and develops contingency plans, including trigger dates, for mission critical applications should vendor solutions or time frames prove inadequate.

The OCC will conduct additional reviews for any charter application that is not in compliance with the OCC's year 2000 guidelines. At that time, the OCC may:

- Assess the applicant's financial and managerial ability.
- Review its plans to remedy any year 2000 deficiencies.
- Remove the application from expedited review status to review compliance issues further.
- May impose appropriate conditions, enforceable under 12 USC 1818, to address year 2000 concerns if the problem represents a significant supervisory concern. Appropriate conditions could include:
  - Specific requirements and time frames for specific remedial actions.
  - Specific measures for assessment and evaluation of the bank's year 2000 status or progress.

The OCC may deny a filing if the problems represent a significant supervisory concern or if approval would be inconsistent with applicable law, regulation, or OCC policy.

## Funds Collected by an Organizing Bank

The amount of funds actually collected in a securities offering may not exceed the amount proposed under the terms of that offering. To raise additional capital, the organizing directors must authorize additional shares and prepare an amended registration statement, or rely on an applicable exemption from the requirement to file a registration statement under 12 CFR 16. Furthermore, the organizing board may wish to authorize more shares than it originally intended to issue to facilitate future capital changes (e.g., stock sales, stock splits) without holding a shareholders' meeting to amend the Articles of Association. Once opened, the bank must issue shares in accordance with 12 CFR 5.46 (see the "[Capital and Dividends](#)" booklet of the *Comptroller's Corporate Manual*).

All monies solicited must be distributed between the bank's capital and capital surplus accounts. A bank's capital surplus must be no less than 20 percent of its capital account. Consistent with Generally Accepted

Accounting Principles (GAAP), expenses associated with the sale of stock must be deducted from the capital surplus account.

## Extensions

The organizers have 12 months from the date of the OCC's preliminary approval to raise capital for the new bank and 18 months from that date to open. The OCC may rescind preliminary approval for failure to meet either of those deadlines. Extensions of those time periods are granted under limited circumstances. (See the Post-Decision Issues discussion in the Introduction section of "[General Policies and Procedures](#)" booklet of the *Comptroller's Corporate Manual*.)

## Revocation of Preliminary Approval

The OCC will revoke preliminary approval, if:

- The organizers fail to perform all of the steps required to organize a national bank (e.g., failure to engage an external auditor, to raise capital within 12 months, or to open within 18 months from the date of preliminary approval).
- The OCC discovers material violations of law, misrepresentations, or any fraudulent activity by the organizers, directors, or officers.
- Prior to opening, the OCC learns of any information that gives it sufficient cause to:
  - Change its evaluation of the proposed new national bank's prospects for success (e.g., significant changes in proposed senior management, status of ownership or directors, deterioration of an affiliate institution, capitalization, or insured status).
  - Question that the bank will be operated in a safe, sound, and legal manner.

## Summary of Process

The preliminary approval letter, including the standard requirements to organize a national bank, stresses the most significant points that an organizing group must observe when organizing its national bank. A group also may be subject to special conditions based on its unique proposal. All requirements and conditions must be met prior to opening, and any deviations should be discussed with the appropriate Licensing staff. After preliminary approval, the organizers will be given this booklet as a step-by-step guide for opening.



## Procedures

During the organization phase, the organizing directors will hire the remainder of bank management, establish the bank's premises at the proposed site, raise capital, develop policies and procedures, and establish management information systems.

A national bank in organization that will be 100 percent owned by an existing BHC may follow the BHC-sponsored organization procedures. On an individual basis, the OCC also may permit other sponsoring parents that will own 100 percent of an organizing national bank (e.g., companies with other existing special purpose credit card or trust banks) to follow these procedures. With the exception of interim banks, all other organizing national banks, including bankers' banks, must follow the standard organization procedures.

## Preopening Examination (POE)

The preopening examination (POE) is the last major step of the chartering process for national banks. Organizers submit a request to the OCC to schedule this examination at least 60 days before the proposed opening date. A national bank examiner (NBE) will visit the bank at least 14 days prior to the proposed opening date to determine whether the board of directors and management are prepared to commence operations.

The OCC may decide on an individual basis to waive or perform an abbreviated POE for an organizing national bank sponsored by an existing BHC or other sponsoring company. The OCC's decision will be based primarily upon its prior knowledge of, and experience with, the corporate parent and its policies and procedures. At a minimum, each BHC-sponsored organizing national bank that will not receive an on-site review must certify completion of certain organizational procedures and file remaining corporate documents with the OCC. The OCC normally does not conduct a preopening investigation or field investigation of converting institutions (see the "[Conversions](#)" booklet of the *Comptroller's Corporate Manual*).

## Final Approval

The OCC determines whether a bank will be authorized to open on schedule. The OCC may delay opening, if:

- During the POE, the NBE identifies deficiencies that must be corrected prior to opening.
- The directors have not selected a fidelity insurance carrier or the fidelity insurance coverage will not be in effect when the bank opens.

- The OCC determines through other means that a significant change has occurred and/or that the organizing bank is not prepared to open.
- The OCC determines that the banking house or systems are not ready to support bank operations.

## Specific Requirements

### Director Qualifications

Each national bank director must meet the qualification requirements found in 12 USC 72. Specifically, each director must:

- Hold a minimum \$1,000 par value or fair market value of stock in his or her own right in the bank or the parent company that controls the national bank (if the capital of the bank does not exceed \$25,000, the minimum investment is \$500).
- Be a citizen of the United States, unless the OCC grants a citizenship waiver (see the "[Director Waivers](#)" booklet of the *Comptroller's Corporate Manual*).

At least a majority of the directors must have resided in the state, territory, or district in which the bank is located, or within 100 miles of the bank's location, for at least one year immediately preceding election as directors, unless the OCC grants a residency waiver (see the "[Director Waivers](#)" booklet). An interstate bank would satisfy director residency requirements, if a majority of its directors reside in any state in which the bank has its main office or a branch.

### Election of Directors

The bank's shareholders elect the directors at their annual meeting. Once directors are qualified, they take the oath of office before a notary or other official authorized by state law and continue to serve until the next annual election of directors by the shareholders. The president of the bank must serve as a member of the board of directors.

### Vacancies on the Board

If a vacancy occurs in the board of directors, the remaining directors appoint a replacement who must meet the director qualification requirements

previously discussed. The newly elected director serves until the next annual election of directors by the bank's shareholders.

## Responsibilities of Directors

Each director should become familiar with his or her statutory responsibilities. The board of directors of a national bank may not delegate responsibility for its duties, but may entrust the day-to-day operation of the bank to bank management. OCC manuals, handbooks, and issuances will assist national bank directors to operate a national bank in a safe, sound, and legal manner. In addition, each director should read carefully all OCC publications specifically addressing directors (e.g., *The Director's Book* and the "Duties and Responsibilities of Directors" booklet of the *Comptroller's Handbook*).

## Management Officials

The organizing directors must evaluate each proposed management official and provide information to the OCC about their selection (see the Management Official Guidelines in the "[Background Investigations](#)" booklet of the *Comptroller's Corporate Manual*). They should make no final commitments of employment to any officer prior to the OCC's review. The organizing directors should allow the OCC adequate time to complete its review of the president's qualifications before soliciting stock subscriptions, and those of the cashier before opening.

If, after appropriate investigation and consideration of a proposed management official, the OCC objects to that person, he or she will not be allowed to assume that position in the bank. Objection to a proposed management official does not mean that the person may not be suitable for a different position in the same bank or a similar position in another bank. It means only that the person is not considered acceptable for the particular position for which he or she is proposed in that new national bank.

## Indemnification of Directors, Officers, and Employees

The bank may make or agree to make indemnification payments to an institution-affiliated party, as defined at 12 USC 1813(u), for an administrative proceeding or civil action initiated by any federal banking agency, that are reasonable and consistent with the requirements of 12 USC 1828(k) and the FDIC's implementing regulations, 12 CFR 359.

The bank may indemnify an institution-affiliated party, as defined at 12 USC 1813(u), for damages and expenses, including the advancement of expenses and legal fees, in cases involving an administrative proceeding or civil action not initiated by a federal banking agency. Such payments must be made in accordance with the law of the state in which the main office of the bank is located, the law of the state in which the bank's holding company is incorporated, or the relevant provisions of the Model Business Corporation

Act (1984, as amended 1994, and as amended thereafter), or Delaware General Corporation Law, Del. Code Ann. tit. 8 (1991, as amended 1994, and as amended thereafter). They must also be consistent with safe and sound banking practices.

The OCC may review any indemnification payments made by the bank to evaluate whether they are consistent with safe and sound banking practices, standards adopted by the bank in its bylaws, and applicable laws and regulations.

## Internal and External Audits

The OCC encourages each national bank to adopt an internal audit system appropriate to its size, nature, and scope of activities. Some new banks may elect to adopt a system that incorporates independent reviews instead of dedicated audit staff (see the "Internal and External Audits" booklet of the *Comptroller's Handbook*).

The OCC normally requires a new national bank to engage an independent external auditor for the first three years of operation. This requirement is consistent with Federal Deposit Insurance Corporation (FDIC) policy contained in its Deposit Insurance Policy Statement, which is available from the FDIC's Communications Office, Public Information Center, 801 17th Street NW, Washington, DC 20434, or its internet site, <http://www.fdic.gov>. Exemptions to this requirement may be granted to:

- A subsidiary of a BHC whose financial statements are included in the audited consolidated financial statements of the parent.
- A new bank sponsored by an independent organizing group that demonstrates that the benefits generally associated with an external audit can be provided substantially by internal expertise or other outside sources.

The audit must be of sufficient scope to enable the auditor to render an opinion on the financial statements of the entire bank (or consolidated holding company). The audit period shall begin on the date that the organizing group forms a body corporate and may end on any calendar quarter-end no later than 12 months after the bank opens.

## Investment in Bank Premises

The organizing group must decide to lease or purchase bank premises consistent with statutory and regulatory requirements (see the "[Investment in Bank Premises](#)" booklet of the *Comptroller's Corporate Manual*). The organizing group finances the initial construction or acquisition of bank

premises. The OCC will review lease and/or purchase agreements for reasonableness and will disallow any that are not made in the bank's best interest.

Construction of the banking facility must comply with the minimum security standards in 12 USC 1882 and 12 CFR 21. Once open, the bank will file an annual report certifying that it complies with the stated security standards (see 12 CFR 21.4).

## Fidelity Insurance

Insurance companies normally write fidelity insurance coverage in \$1,000,000 increments. The organizing directors should obtain insurance to cover the entire amount of funds to be raised from the sale of capital stock. The bank shall have adequate fidelity insurance covering all persons authorized to collect, receive, or deposit funds from stock subscriptions. This insurance must be in force from the effective date of the offering document until the bank opens for business. The bank's board of directors must research and document its fidelity insurance and excess coverage needs.

After the bank opens for business, it must have fidelity bond coverage that is adequate according to the four factors listed in 12 CFR 7.2013. They are:

- Internal auditing safeguards employed.
- Number of employees.
- Amount of deposit liabilities.
- Amount of cash and securities normally held by the bank.

The OCC will not grant final approval of the charter until:

- A permanent fidelity insurance carrier has been selected.
- Assurances have been obtained that permanent insurance coverage will be in place on or before the bank's proposed opening date.

## Shareholder Meetings

Shareholders may act by unanimous written consent in lieu of a shareholders' meeting. In that case, the notice and meeting are not required.

## Corporate Seals

Since national banking laws require that a bank affix its corporate seal to

certain documents (e.g., stock certificate), organizing banks must adopt a corporate seal. Consistent with OCC policy, the bank need not use its official name in the corporate seal (see the "[General Policies and Procedures](#)" booklet).

## Changes in Articles of Association and Bylaws

A national bank's [Articles of Association](#) may be amended by a majority of its shareholders, unless otherwise provided for in the articles, at any meeting held pursuant to appropriate notice or waiver. However, two-thirds of the shareholders must approve amendments to the capital stock article. A certified copy of every amendment to the articles adopted by the shareholders must be forwarded to the licensing manager at the appropriate district office.

A majority of the bank's directors may amend its [bylaws](#). A copy need not be submitted to the OCC.

## Expansion of Activities

If a limited charter bank wants to expand its powers to those of a full service commercial bank, it must amend its [Articles of Association](#) and submit a request to the Licensing staff in the appropriate district office that includes a proposed operating plan, filing fee, and list of management. Although a complete application is not required, the OCC may request certain parts of the new bank charter application to evaluate sufficiently the proposed change to full service banking.

## Contraction of Activities

If a full service national bank wants to convert to a limited service charter (e.g., cash management or trust bank), it must amend its [Articles of Association](#) and submit a notice to the Licensing staff in the appropriate district office. The notice includes a proposed operating plan, changes in the bank's capital structure, a description of planned changes in bank premises, and a list of proposed management. Although no fee is charged for this type of transaction, any resulting reduction in capital requires the filing of a Letter of Intent and appropriate fee (see the "[Capital and Dividends](#)" booklet of the *Comptroller's Corporate Manual*). Similarly, if the bank intends to relocate its head office or any branch in its conversion to a limited service charter, the appropriate relocation application and filing fee must be submitted (see the "[Branches and Relocations](#)" booklet of the *Comptroller's Corporate Manual*). Although no public notice is required to convert to a limited service charter, it may be needed for related applications (e.g., purchase and assumption, relocation, branch closing).

## First Meeting of Organizers

The meeting of the organizers of (name of national bank, in organization) a national banking association, created and existing under and by virtue of the laws of the United States, was held at \_\_\_\_ (A.M./P.M.), in (name of city/town), state of \_\_\_\_\_

on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, pursuant to call and waiver of notice by all the organizers.

Upon motion duly made, seconded, and carried, \_\_\_\_\_ was chosen as chairperson of the meeting and \_\_\_\_\_ was elected as secretary of the meeting.

The roll of the organization was called and the following organizers, representing a majority of the organizers, were present in person (list each organizer separately). The following organizers did not attend (list each organizer separately).

The chairperson announced that the first order of business was to execute the [Articles of Association](#) and [Organization Certificate](#) and to forward those documents to the OCC. On motion duly made, seconded, and carried, the following resolution was duly adopted.

RESOLVED that the [Articles of Association](#) and [Organization Certificate](#) of this association be adopted and filed with the Comptroller of the Currency.

The chairperson of the meeting announced that the [Articles of Association](#) provide that the number of directors shall be fixed by resolution at the first meeting of shareholders, but that number may not be less than five nor more than twenty-five. On motion made, seconded, and ried, the following resolution was duly adopted:

RESOLVED that the number of organizing directors until the first meeting of shareholders of the association be fixed at \_\_\_\_\_.

The chairperson called for the nomination of organizing directors. The following persons were nominated for the office of organizing director of the association to serve until the first meeting of shareholders and until their respective successor has been duly elected and qualified (list each nominee separately).

No further nominations having been made, the nominations were closed, and the organizers proceeded to vote on the nominees. The vote having been taken and counted, the nominees were found to have been duly elected organizing directors of the association to serve until the first meeting of shareholders and until their respective successors are duly elected and have qualified.

The OCC's preliminary approval [or conditional approval] letter was discussed and is attached to these minutes.

After discussion, (organizing chairperson, secretary, or chief executive officer) was designated as the person to initiate and receive all future correspondence from the OCC (spokesperson). The chairperson directed the secretary to notify the OCC of (name)'s designation.

There being no further business to come before the meeting, on a motion duly made and seconded, the meeting was adjourned.

\_\_\_\_\_  
Chairperson of the Meeting

\_\_\_\_\_  
Secretary of the Meeting



## Instructions) Articles of Association

### General Instructions

The OCC recommends that the Articles of Association (articles) and any subsequent amendments be executed in duplicate. One should be retained as an original document at the bank. The other should be forward to the OCC for its retention.

The paragraphs marked with an asterisk (\*) in the sample document are optional.

Unless the organizers have a good reason to deviate from the OCC's sample articles, they should use the sample document. Justification should be provided for any changes in the sample articles. The organizers should tailor the articles for special purpose banks or banks with a special focus, as appropriate.

### Adoption Procedures

1. (Charters) At the first meeting of the organizers, the organizers execute the articles in duplicate.  
  
(Conversions) The board of directors of the converting institution executes the articles in duplicate.
2. The organizers may include additional articles provided they are not contrary to law.
3. The organizers submit a signed original of the articles to the Licensing staff in the appropriate district office and retain the other signed original for the bank's records.
4. The OCC will maintain its original in the bank's corporate history file in Washington, DC.

### Amendment Procedures for an Existing National Bank

1. Whenever changes occur in the Articles of Association at a shareholders' meeting, the secretary of the board forwards the amendment with a corporate resolution certifying action by the shareholders to the Licensing staff in the appropriate district office.
2. When acknowledged, the OCC's Licensing staff maintains its original in the bank's corporate history file in Washington, DC.

## Specific Requirements

1. The name of the association must include the word "National." If the word "Association" is used in the name, it must be spelled out completely. (12 USC 22, 30) (See the Branch and Trade Names discussion in the "General Policies and Procedures" booklet.)
2. In most cases, the location should include a city/town/village, county, and state name. A street name should not be given. The location should be the same as that originally proposed and approved by the OCC. (12 USC 22, 30, 81)
3. Appropriate limitations on operations or services (e.g., bankers' banks, trust companies, CEBA credit d banks) should be consistent with the preliminary approval letter or subsequent correspondence. (12 USC 27, 92a, 1841(c)(2)(d) or (f))
4. Directors should number no less than five or no more than twenty-five. Information about qualifying shares and vacancies should be included. For a bankers' bank, information about replacing participating banks should be included. (12 USC 27(b), 71a, 72, 74)
5. The annual shareholders' meeting and the election of directors should be discussed. (12 USC 71)
6. There should be a discussion of all types and classes of the bank's capital stock. (12 USC 51, 51a, 51b, 52, 57, 59)
  - The par value of the stock should equal the amount that was approved by the OCC.
  - The authorized number of shares should equal the amount proposed by the bank and approved by the OCC.
  - The shareholder preemptive rights discussion should follow the sample. (12 CFR 7.2021)
  - If included, the issuance of subordinated debt discussion should follow the sample.
  - For bankers' banks only: Banks should be limited in selling stock to entities other than depository institutions or their holding companies.
7. The articles must include the requirement that the president be a member of the board and discuss the board's powers, including its ability to appoint management. (12 USC 24(5), 76)
8. The location of the main office and the establishment of branches should be discussed. (12 USC 30, 36)

9. The corporate existence of the association should be mentioned. (12 USC 24(2))
10. The ability to call special meetings of the shareholders should be discussed. (12 USC 57, 59, 75, 181, 214a, 215, 215a)
11. Indemnity agreements should be consistent with 12 CFR 7.2014. If the payment of insurance premiums is included, the article should explicitly exclude coverage of liability for a formal order assessing civil money penalties against a director or employee.
12. National banking laws and regulations prohibit the adoption of certain anti-takeover and super-majority voting requirements that conflict with statutes and/or regulations specifying percentages of shareholder and director affirmative votes required to approve certain transactions. The OCC will evaluate all anti-takeover and super-majority voting requirements individually for consistency with legal, regulatory, policy, and supervisory considerations.
13. At least five persons, all of whom signed the original application, must sign the articles.

## Articles of Association

For the purpose of organizing an association to perform any lawful activities of national banks, the undersigned enter into the following Articles of Association:

FIRST. The title of this association shall be \_\_\_\_\_.

SECOND. The main office of the association shall be located in \_\_\_\_\_ County of \_\_\_\_\_ and State of \_\_\_\_\_.

[For a full service national bank] The general business of the association shall be conducted at its main office and its branches.

[For limited and special purpose banks, use one of the following three paragraphs]

1. [For a national trust bank] The business of the association will be limited to the fiduciary powers and the support of activities incidental to the exercise of those powers (full or limited).
2. [For a CEBA credit d bank] The business of the association will be limited to those activities specified in the Competitive Equality Banking Act of 1987. Specifically the association will:
  - Engage only in credit d operations.
  - Not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others.
  - Not accept any savings or time deposits of less than \$100,000. Or [if applicable] not accept any savings or time deposits of less than \$100,000, except deposits pledged by the association as collateral for extensions of credit.
  - Maintain only one office that accepts deposits.
  - Not engage in the business of making commercial loans.
3. [For a bankers' bank] The association shall conduct the general business of banking; provided, however, that it shall engage exclusively in providing services for other depository institutions, their holding companies, and their officers, directors, and employees.

[For limited and special purpose banks] The association may not expand or alter its business beyond that stated in this article without the prior approval of the Comptroller of the Currency.

THIRD. The board of directors of this association shall consist of not less than five nor more than twenty-five persons, the exact number to be fixed and determined

from time to time by resolution of a majority of the full board of directors or by resolution of a majority of the shareholders at any annual or special meeting thereof. Each director shall own common or preferred stock of the association or of a holding company owning the association, with either an aggregate par, fair market, or equity value of \$1,000. Determination of these values may be based as of either (i) the date of purchase, or (ii) the date the person became a director, whichever value is greater. Any combination of common or preferred stock of the association or holding company may be used.

Any vacancy in the board of directors may be filled by action of a majority of the remaining directors between meetings of shareholders. The board of directors may not increase the number of directors between meetings of shareholders to a number which: (1) exceeds by more than two the number of directors last elected by shareholders when the number was 15 or less; or (2) exceeds by more than four the number of directors last elected by shareholders where the number was 16 or more, but in no event shall the number of directors exceed 25.

Terms of directors, including directors selected to fill vacancies, shall expire at the next regular meeting of shareholders at which directors are elected, unless they resign or are removed from office.

Despite the expiration of a director's term, the director shall continue to serve until his or her successor is elected and qualifies or until there is a decrease in the number of directors and his or her position is eliminated.

Honorary or advisory members of the board of directors, without voting power or power of final decision in matters concerning the business of the association, may be appointed by resolution of a majority of the full board of directors, or by resolution of shareholders at any annual or special meeting. Honorary or advisory directors shall not be counted to determine the number of directors of the association or the presence of a quorum for any board action, and shall not be required to own qualifying shares.

FOURTH. There shall be an annual meeting of the shareholders to elect directors and transact whatever other business may be brought before the meeting. It shall be held at the main office or any other convenient place the board of directors may designate, on the day of each year specified therefore in the Bylaws, or if that day falls on a legal holiday in the state in which the association is located, on the next following banking day. If no election is held on the day fixed or in the event of a legal holiday on the following banking day, an election may be held on any subsequent day within 60 days of the day fixed, to be designated by the board of directors, or, if the directors fail to fix the day, by shareholders representing two-thirds of the shares issued and outstanding. In all cases at least 10 days advance notice of the meeting shall be given to the shareholders by first class mail.

In all elections of directors, the number of votes cast by each common shareholder will be determined by multiplying the number of shares he or she owns by the number of directors to be elected. Those votes may be cumulated and cast for a single candidate or may be distributed among two or more candidates in the manner selected by the shareholder. If, after the first ballot, subsequent ballots are

necessary to elect directors, a shareholder may not vote shares that he or she has already fully cumulated and voted in favor of a successful candidate. On all other questions, each common shareholder shall be entitled to one vote for each share of stock held by him or her. If the issuance of preferred stock with voting rights has been authorized by a vote of shareholders owning a majority of the common stock of the association, preferred shareholders (will/will not) have cumulative voting rights and (will/will not) be included within the same class as common shareholders, to elect directors.

\* Nominations for election to the board of directors may be made by the board of directors or by any stockholder of any outstanding class of capital stock of the association entitled to vote for election of directors. Nominations other than those made by or on behalf of the existing management shall be made in writing and be delivered or mailed to the president of the association no less than 14 days nor more than 50 days prior to any meeting of shareholders called for the election of directors; provided, however, that if less than 21 days notice of the meeting is given to shareholders, such nominations shall be mailed or delivered to the president of the association no later than the close of business on the seventh day following the day on which notice of the meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholder:

- (1) The name and address of each proposed nominee.
- (2) The principal occupation of each proposed nominee.
- (3) The total number of shares of capital stock of the association that will be voted for each proposed nominee.
- (4) The name and residence address of the notifying shareholder.
- (5) The number of shares of capital stock of the association owned by the notifying shareholder.

Nominations not made in accordance herewith may, in his/her discretion, be disregarded by the chairperson of the meeting, and the vote tellers may disregard all votes cast for each such nominee. No bylaw may unreasonably restrict the nomination of directors by shareholders.

A director may resign at any time by delivering written notice to the board of directors, its chairperson, or to the association, which resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

A director may be removed by shareholders at a meeting called to remove him or her, when notice of the meeting states that the purpose or one of the purposes is to remove him or her, if there is a failure to fulfill one of the affirmative requirements for qualification, or for cause, provided that, however, a director may not be removed if the number of votes sufficient to elect him or her under cumulative voting is voted against his or her removal.

FIFTH. The authorized amount of capital stock of this association shall be \_\_\_\_\_ shares of common stock of the par value of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) each (etc., for as many classes as there are of common stock); shares of class \_\_\_\_\_ perpetual preferred stock of the par value of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) each (etc., for as many classes as there are of perpetual preferred stock); but said capital stock may be increased or decreased from time to time, according to the provisions of the laws of the United States.

(Use one of the following three numbered sets of paragraphs or insert other lawful provisions for shareholders' preemptive rights.)

- \* (1) If the capital stock is increased by the sale of additional shares of voting stock or interests convertible thereto, each holder of any class of voting stock shall be entitled to subscribe for such additional shares of voting stock or interests convertible thereto, in proportion to the percentage of shares he or she owns.

If the capital stock is increased by the sale of additional shares of stock with preferential distribution rights or interests convertible thereto, each holder of any class of stock with equal or inferior preferential distribution rights, but not including holders of shares without preferential distribution rights, shall be entitled to subscribe for such additional shares of stock with preferential distribution rights or interests convertible thereto, in proportion to the number of shares of stock owned at the time the increase is authorized by the shareholders, unless another time is specified in a resolution adopted by the shareholders at the time the increase is authorized.

Notwithstanding the foregoing, holders of stock shall not have any preemptive rights to purchase or subscribe for (i) shares issued as compensation to directors, officers, agents, or employees of the association, its subsidiaries, or affiliates; and (ii) shares issued to satisfy conversion or option rights created to provide compensation to directors, officers, agents, or employees of the association, its subsidiaries, or affiliates.

Shares subject to preemptive rights that are not acquired by shareholders may be issued to any person for one year after being offered to shareholders at a consideration set by the board of directors that is not lower than the consideration set for the exercise of preemptive rights. An offer at a lower consideration or after the expiration of one year is subject to the shareholders' preemptive rights.

- \* (2) In the event of any increase in common stock of this association by the sale of additional shares, each shareholder shall be entitled to subscribe to such additional shares of common stock in proportion to the number of shares of common stock owned at the time the increase is authorized by the shareholders, unless another time subsequent to the date of the shareholders' meeting is specified in a resolution adopted by the shareholders at the time the increase is authorized, except that the holders of the common stock shall not have any preemptive rights to purchase or subscribe for any shares of common stock for all or any part of \_\_\_\_\_ shares of authorized but

unissued common stock to be issued from time to time by this association to be used exclusively for the implementation of any employee compensation program (give exact name). The board of directors shall have the power to prescribe a reasonable period of time within which the preemptive rights to subscribe to the new shares of capital stock must be exercised.

- \* (3) No holder of shares of the capital stock of any class of the association shall have any preemptive or preferential right of subscription to any shares of any class of stock of the association, whether now or hereafter authorized, or to any obligations convertible into stock of the association, issued, or sold, nor any right of subscription to any thereof other than such, if any, as the board of directors, in its discretion may from time to time determine and at such price as the board of directors may from time to time fix.

Unless otherwise specified in the Articles of Association or required by law, (1) all matters requiring shareholder action, including amendments to the Articles of Association must be approved by shareholders owning a majority voting interest in the outstanding voting stock, and (2) each shareholder shall be entitled to one vote per share.

Unless otherwise specified in the Articles of Association or required by law, all shares of voting stock shall be voted together as a class, on any matters requiring shareholder approval. If a proposed amendment would affect two or more classes or series in the same or a substantially similar way, all the classes or series so affected, must vote together as a single voting group on the proposed amendment.

The \_\_\_\_\_ shares of class \_\_\_\_\_ common stock, shares of class \_\_\_\_\_ common stock, [etc., for as many classes as there are of common stock] shall be subject to the following dividend, voting, liquidation, preemptive, conversion, assessment, and other rights. [Specify rights.]

Each class must have a distinguishing designation. In addition, there must be: (1) one or more classes of shares that together have unlimited voting rights, and (2) one or more classes of shares (which may or may not include any class or classes of shares with voting rights) that together are entitled to receive the net assets of the association upon dissolution.

The \_\_\_\_\_ shares of class \_\_\_\_\_ (preferred stock or perpetual preferred stock), shares of \_\_\_\_\_ class \_\_\_\_\_ (preferred stock or perpetual preferred stock), (etc., for as many classes as there are of preferred stock or perpetual preferred stock) shall be subject to the following dividend, liquidation, retirement, voting, preemptive, sinking fund, conversion, and other rights, provided that no such terms shall provide for payment, upon liquidation, of any premium over and above the par value plus any accumulated dividends on such preferred stock. [Specify rights.]

Shares of one class or series may be issued as a dividend for shares of the same class or series on a pro rata basis and without consideration. Shares of one class or series may be issued as share dividends for a different class or series of stock if approved by a majority of the votes entitled to be cast by the class or series to be issued, unless there are no outstanding shares of the class or series to be issued.



Unless otherwise provided by the board of directors, the record date for determining shareholders entitled to a share dividend shall be the date authorized by the board of directors for the share dividend.

Unless otherwise provided in the Bylaws, the record date for determining shareholders entitled to notice of and to vote at any meeting is the close of business on the day before the first notice is mailed or otherwise sent to the shareholders, provided that in no event may a record date be more than 70 days before the meeting.

If a shareholder is entitled to fractional shares pursuant to preemptive rights, a stock dividend, consolidation or merger, reverse stock split or otherwise, the association may: (a) issue fractional shares; (b) in lieu of the issuance of fractional shares, issue script, or warrants entitling the holder to receive a full share upon surrendering enough script or warrants to equal a full share; © if there is an established and active market in the association's stock, make reasonable arrangements to allow the shareholder to realize a fair price through sale of the fraction, or purchase of the additional fraction required for a full share; (d) remit the cash equivalent of the fraction to the shareholder; or (e) sell full shares representing all the fractions at public auction or to the highest bidder after having solicited and received sealed bids from at least three licensed stock brokers; and distribute the proceeds pro rata to shareholders who otherwise would be entitled to the fractional shares. The holder of a fractional share is entitled to exercise the rights for shareholder, including the right to vote, to receive dividends, and to participate in the assets of the association upon liquidation, in proportion to the fractional interest. The holder of script or warrants is not entitled to any of these rights, unless the script or warrants explicitly provide for such rights. The script or warrants may be subject to such additional conditions as: (1) that the script or warrants will become void if not exchanged for full shares before a specified date; and (2) that the shares for which the script or warrants are exchangeable may be sold at the option of the association and the proceeds paid to scripsholders.

\* The association, at any time and from time to time, may authorize and issue debt obligations, whether or not subordinated, without the approval of the shareholders. Obligations classified as debt, whether or not subordinated, which may be issued by the association without the approval of shareholders, do not carry voting rights on any issue, including an increase or decrease in the aggregate number of the securities, or the exchange or reclassification of all or part of securities into securities of another class or series.

SIXTH. The board of directors shall appoint one of its members president of this association, and one of its members chairperson of the board and shall have the power to appoint one or more vice presidents, a secretary who shall keep minutes of the directors' and shareholders' meetings and be responsible for authenticating the records of the association, and such other officers and employees as may be required to transact the business of this association. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the board of directors according to the Bylaws.

The board of directors shall have the power to:

- (1) Define the duties of the officers, employees, and agents of the association.
- (2) Delegate the performance of its duties, but not the responsibility for its duties, to the officers, employees, and agents of the association.
- (3) Fix the compensation and enter into employment contracts with its officers and employees upon reasonable terms and conditions consistent with applicable law.
- (4) Dismiss officers and employees.
- (5) Require bonds from officers and employees and to fix the penalty thereof.
- (6) Ratify written policies authorized by the association's management or committees of the board.
- (7) Regulate the manner in which any increase or decrease of the capital of the association shall be made, provided that nothing herein shall restrict the power of shareholders to increase or decrease the capital of the association according to law, and nothing shall raise or lower from two-thirds the percentage required for shareholder approval to increase or reduce the capital.
- (8) Manage and administer the business and affairs of the association.
- (9) Adopt initial Bylaws, not inconsistent with law or the Articles of Association, for managing the business and regulating the affairs of the association.
- (10) Amend or repeal the Bylaws, except to the extent that the Articles of Association reserve this power in whole or in part to shareholders.
- (11) Make contracts.
- (12) Generally perform all acts that are legal for a board of directors to perform.

SEVENTH. The board of directors shall have the power to change the location of the main office to any authorized branch within the limits of (indicate only the city, town or village where the main office is located) without the approval of the shareholders, or with a vote of shareholders owning two-thirds of the stock of such association for a relocation outside such limits and upon receipt of a certificate of approval from the Comptroller of the Currency, to any other location within or outside the limits of (indicate the city, town or village where the main office is located), but not more than 30 miles beyond such limits. The board of directors shall have the power to establish or change the location of any branch or branches of the association to any other location permitted under applicable law, without approval of shareholders, subject to approval by the Comptroller of the Currency.

EIGHTH. The corporate existence of this association shall continue until termination according to the laws of the United States.

NINTH. The board of directors of this association, or any \_\_\_\_\_ or more shareholders owning, in the aggregate, not less than \_\_\_\_ percent of the stock of this association, may call a special meeting of shareholders at any time. Unless otherwise provided by the Bylaws or the laws of the United States, or waived by shareholders, a notice of the time, place, and purpose of every annual and special meeting of the shareholders shall be given by first-class mail, postage prepaid, mailed at least 10, and no more than 60, days prior to the date of the meeting to each shareholder of record at his/her address as shown upon the books of this association. Unless otherwise provided by the Bylaws, any action requiring approval of shareholders must be affected at a duly called annual or special meeting.

(If this special meeting language is not used, an alternative procedure for the calling of special meetings of shareholders should be provided.)

TENTH. The bank may make or agree to make indemnification payments to an institution-affiliated party, as defined at 12 USC 1813(u), for an administrative proceeding or civil action initiated by any federal banking agency, that are reasonable and consistent with the requirements of 12 USC 1828(k) and the implementing regulations thereunder.

The bank may indemnify an institution-affiliated party, as defined at 12 USC 1813(u), for damages and expenses, including the advancement of expenses and legal fees, in cases involving an administrative proceeding or civil action not initiated by a federal banking agency, in accordance with [insert the law of the state in which the main office of the bank is located, the law of the state in which the bank's holding company is incorporated, or the relevant provisions of the Model Business Corporation Act (1984, as amended 1994, and as amended thereafter), or Delaware General Corporation Law, Del. Code Ann. tit. 8 (1991, as amended 1994, and as amended thereafter)], provided such payments are consistent with safe and sound banking practices.

ELEVENTH. These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of this association, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount. The association's board of directors may propose one or more amendments to the Articles of Association for submission to the shareholders.

In witness whereof, we have hereunto set our hands this \_\_\_\_\_ of

\_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

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## Instructions—Organization Certificate

### For New Bank Charters and Converting Institutions

1. At the first meeting of the organizers (i.e., the people who filed and signed the charter application and others who have received prior approval from the OCC), the organizers execute in duplicate the Organization Certificate before a notary or judge of a court of record. For a converting institution, the board of directors executes the Organization Certificate. The same people should execute the Organization Certificate and the [Articles of Association](#).
2. The organizers or converting institution submit(s) a signed original of the Organization Certificate to the appropriate district office for processing by Licensing staff and retain one signed original or copy for the bank's records. The OCC will acknowledge receipt and maintain the Organization Certificate in the bank's corporate history file in Washington, D.C.

### Specific Requirements

1. The name of the association must include the word "National." If used in the name, the word "Association" must be spelled out fully.
2. The location should specify the city/town/village, county, and state. A street name should not be given. The location should be the same as that originally proposed and approved by the OCC.
3. The amount of authorized stock, the number of shares, and the par value of capital stock should be included and should be the same as that originally proposed and approved by the OCC.
4. The name, place of residence, and number of shares to be held by each organizer, director, and known shareholder should be included.
5. At least five persons, all of whom signed the original application and the Articles of Association and received OCC clearance, must sign the document. For a converting institution, a majority of the board of directors must sign the Organization Certificate.
6. The document must be properly notarized.

## Organization Certificate

[For a new bank charter] We, the undersigned, having associated ourselves to organize an association for Carrying on the business of banking, under the provisions of the United States Code, as amended, do make and execute the following Organization Certificate:

[For a converting institution] We, the undersigned, a majority of the directors of (name and location) having been authorized by the affirmative vote of shareholders owning not less than 51 percent of its capital stock to change and convert this institution to a national banking association, and to execute the necessary Organization Certificate, under the provisions of the statutes of the United States, do sign and execute the following Organization Certificate:

FIRST. The title of the association shall be \_\_\_\_\_.

SECOND. The main office of the association shall be located in \_\_\_\_\_, county of \_\_\_\_\_, and state of \_\_\_\_\_, where it shall conduct the general business of banking. [For limited or special purpose banks, alternatively include the following: where it shall limit its business to (specify activities consistent with those included in the association's Articles of Association).]

THIRD. The authorized amount of capital stock of this association shall be \$\_\_\_\_\_, and be divided into \_\_\_\_\_ shares of \$\_\_\_\_\_ each.

FOURTH. [For new bank charters] The name and the residence of each organizer/director/shareholder of this association with the number of shares that will be held by each, are:

Name <sup>2</sup>	Residence (town or city and state)	Number of Shares <sup>3</sup>
_____	_____	_____

[For conversion to a national bank] The name and residence of each shareholder of the converting institution, which is to become a national bank under the aforesaid provisions of the United States statutes, as listed on its records.

FIFTH. This certificate is made so that we [or (name of the converting institution) and its shareholders] may avail ourselves of the advantages of the aforesaid provisions of the United States Code, as amended [and that the converting

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<sup>2</sup>Each approved organizer should subscribe to at least one share of stock. Approved directors should subscribe to at least \$1,000 par value, unless qualifying shares are held in another company (12 USC 72).

<sup>3</sup>The number of shares listed on this form does not need to total the proposed aggregate amount of opening day capital stock.

institution may be changed and converted into a national banking association under the foregoing title]. In witness thereof, we have signed this document this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Print or Type Names \_\_\_\_\_

Signatures \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

**Notary's Affirmation**

State of \_\_\_\_\_  
County of \_\_\_\_\_

Subscribed and sworn (affirmed) to before the undersigned, who is not an officer of the above-named bank, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Official Seal  
of Notary

Notary Public: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

## Spokesperson Designation

Date

Licensing Manager  
Comptroller of the Currency  
Address  
City, State, ZIP Code

Re: Application Description, CAIS Control Number

Dear Licensing Manager:

At the first meeting of the organizing directors of (name of proposed bank, in organization), we chose (name of individual and title) to receive all future correspondence from the Comptroller of the Currency. You can reach him/her at:

Address  
City, State, ZIP Code  
Telephone Number  
Fax Number

Sincerely,

)Signature)

Name and Title



## Waiver of Notice of Organizing Board's First Meeting

We, the undersigned, being all the organizing directors of (name of national bank, in organization), a national banking association call the first meeting of the organizing board of directors, waive all notice thereof and consent and agree that such first meeting of the organizing board of directors shall be held at (street address), in the city of \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, at \_\_\_\_\_ (a.m./p.m.).

Date: \_\_\_\_\_

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## Organizing Board's First Meeting

The first meeting of the organizing board of directors of (name of national bank, in organization) a national banking association, was held at the office of the association at \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_ (a.m./p.m.) (Pursuant to written waiver of notice signed by all of the directors of the association.)

Present were (list each director separately), constituting all (or a majority) of the organizing board of directors. Absent were (list each director separately).

The temporary chairperson announced that the first order of business was the election of a chairperson and secretary of the organizing board. Nominations having been made, \_\_\_\_\_ was elected organizing chairperson of the board, and \_\_\_\_\_ was elected organizing secretary by unanimous vote.

\_\_\_\_\_ chaired the remainder of the meeting and \_\_\_\_\_ kept the minutes.

The organizing directors upon motion duly made, seconded, and Carried, ratified the actions taken by the organizers at their first meeting that was held on \_\_\_\_\_.

All organizing directors present at the meeting executed the joint oath of directors before a notary. The secretary was directed to contact any organizing director who was not present to take an individual oath before a notary and to forward all oaths to the OCC.

The chairperson stated that the [Articles of Association](#) and [Organization Certificate](#) of the association had been acknowledged for filing in the Office of the Comptroller of the Currency on \_\_\_\_\_, \_\_\_\_\_. A copy is attached to these minutes.

The chairperson presented to the meeting an impression of the corporate seal for the association in the following form:

(Affix impression of seal.)

On motion duly made and seconded, the following resolution was adopted:

RESOLVED that the form of seal that has been submitted to this meeting, an impression of which appears above, be and hereby is approved and adopted as the corporate seal of this association.

The chairperson presented a proposed form of certificate for shares of the stock of the association as follows: (Attach a copy of the proposed stock certificate to minutes.)

On motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED that subject to the approval of the Comptroller of the Currency the form of certificate representing shares of the capital stock of this association, which has been submitted to this meeting, be in all respects approved and adopted as the form of certificate to represent the shares of the capital stock of this association.

The chairperson announced the adoption of [Bylaws](#) to be in order and thereupon \_\_\_\_\_ presented a form of Bylaws and moved that it be read aloud by the secretary, which motion was duly seconded and carried. Upon the completion of the reading of the form of Bylaws, it was moved by \_\_\_\_\_ and seconded by \_\_\_\_\_ that the same be adopted as the Bylaws of the association. The motion was carried.

The chairperson stated that the officers of the \_\_\_\_\_ Bank at \_\_\_\_\_ had been consulted about using the bank as the depository of the funds of the association. The escrow agreement provides that no funds may be released until the depository bank is authorized to do so by the Office of the Comptroller of the Currency. Discussion followed and it was unanimously agreed that the \_\_\_\_\_ Bank of \_\_\_\_\_ be named as the association's depository and that \_\_\_\_\_, be authorized to sign checks, drafts, and other similar instruments. It was further provided that any two of the \_\_\_\_\_ named officers' signatures would be necessary to validate a check, draft or similar instrument.

\_\_\_\_\_ presented a form of resolution requested by \_\_\_\_\_ Bank to authorize the account, and the same was unanimously adopted. The form of the resolution is as follows:

(Insert printed bank resolution.)

On motion duly made, seconded and carried, the following resolution was adopted:

RESOLVED that the appropriate officers of the association are hereby authorized to prepare and file with the Comptroller of the Currency an offering circular according to the regulations of the Office of the Comptroller of the Currency, containing the required information relevant to the offer and sale of \_\_\_\_\_ shares of common stock, par value \$\_\_\_\_\_ per share, at an offering price of \_\_\_\_\_ per share, and it is further

RESOLVED that the organizing board of directors be and it hereby is authorized and empowered to solicit subscription offers for up to \_\_\_\_\_ shares of stock of this association of \$\_\_\_\_\_ par value each at an offering price of \$\_\_\_\_\_ per share, provided that the Comptroller of the Currency shall have approved such offering price and number of shares, and it is further

RESOLVED that no cash will be accepted in payment for subscriptions and no binding subscription agreements entered into until such time as the Comptroller of the Currency shall have approved the offering circular and the subscription offer.

The matter of obtaining a financial institution bond (i.e., fidelity insurance) was discussed. (Name of insurance agent) acting as agent for (name of insurance company) of (insurance company's location) had previously submitted a recommendation that the financial institution bond be obtained in the amount of \$ \_\_\_\_\_ at an annual premium of \_\_\_\_\_. President \_\_\_\_\_ and \_\_\_\_\_, as cashier, were authorized to make application and obtain the bond through (name of insurance company).

The chairperson asked the secretary to read a list of the organization costs to-date. The secretary read by item the expenses as follows:

(List items.)

A copy of the expenses is attached and made a part of these minutes. The total organization costs to date were \$ \_\_\_\_\_. After discussion, upon motion duly made, seconded and carried, the expenses as read were approved.

There being no further business to come before the meeting, on motion duly made, seconded, and carried, the meeting was adjourned.

\_\_\_\_\_  
Secretary

## Instructions—Oaths and Lists of National Bank Directors

There are three sections to the oath and list:

- The oath(s) taken by the directors or organizing directors, including their names, signatures, and addresses.
- The certification of the bank's secretary or cashier about the manner of election to the board and attestation that residency requirements in the aggregate have been met.
- The notary's affirmation.

### Statutory Requirements

National banking law at 12 USC 73 requires each elected or appointed director to take an oath that he or she will "diligently and honestly administer the affairs of such association, and will not knowingly violate or willingly permit to be violated any of the provisions" of the National Bank Act and that he or she is the owner in his or her own right of the capital stock required by 12 USC 72.

### Certification

The certification should indicate whether the director(s) was elected by the shareholders at the annual meeting or a regularly called meeting, or appointed by the directors to fill a vacancy. If applicable, give the name of the predecessor and if the vacancy was caused by death, resignation, disqualification, or expiration of term of service.

If applicable, include an explanation of why the number of directors does not correspond with the requirements of the Articles of Association on file with the OCC. The shareholders may need to amend the Articles of Association.

### Notary's Affirmation

The oath must be taken before a Notary Public, properly authorized and commissioned by the state in which the Notary resides, or before any other officer having an official seal and authorized by the state to administer oaths, except that the oath shall not be taken before any such Notary Public or other officer who is an officer of the directors' bank. The name of the state in the venue should agree with the name of the state in which the oath is administered.

### General Instructions

#### **Organizing National Banks and Converting Institutions**

1. At the first meeting of the organizing board, the organizing directors who have been approved by the OCC take the joint oath of organizing directors before a Notary Public. Regardless of whether the organizing director is

present, his/her name and address should be included on the joint oath and list form.

2. Each organizing director, who did not take the joint oath, must execute an individual oath before a notary.
3. When all organizing directors have taken the oath, the organizing secretary of the board forwards the executed oath(s) to the Licensing staff in the appropriate district office. A copy should be retained in the bank.
4. After the initial shareholders' meeting, the newly elected directors will take the oath of directors following the procedures for existing national banks.
5. Questions about preparation of these forms should be directed to the licensing manager in the appropriate district office.

### **Existing National Banks**

1. At the annual organization meeting, which follows the annual meeting of the bank's shareholders, the directors take the joint oath of directors before a notary. Regardless of whether the director is present, his/her name should be included on the joint oath and list form.
2. Each director, who did not take the joint oath, must execute an individual oath before a notary.
3. When all elected directors have taken the oath, the secretary of the board or the cashier files an original of all oaths with the appropriate district office where the bank is supervised. Copies should be retained in the bank. Neither originals nor copies should be forwarded to the Washington Office.
4. Questions related to the preparation of these forms should be directed to the licensing manager in the appropriate district office.

## Individual Oath of Organizing Director

State of \_\_\_\_\_  
County of \_\_\_\_\_

I, the undersigned, organizing director of the \_\_\_\_\_, (in organization) located at \_\_\_\_\_ being a citizen of the United States, and resident of the state of \_\_\_\_\_, do solemnly swear (affirm) that I will, so far as the duty devolves on me, diligently and honestly administer the affairs of the association (in organization), that I will not knowingly violate, or willingly permit to be violated any of the provisions of the statutes of the United States under which the association has been organized.

Signature \_\_\_\_\_  
Name (Typed) \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

### Certification

I hereby certify that the residency requirements contained in 12 USC 72 have been fulfilled.

President, Secretary or Cashier's Signature \_\_\_\_\_  
President, Secretary or Cashier's Name (typed) \_\_\_\_\_

### Notary's Affirmation

Subscribed and sworn (affirmed) to before the undersigned, who is not an officer of the above-named bank, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Official Seal \_\_\_\_\_ Notary Public \_\_\_\_\_  
of Notary Commission Expires: \_\_\_\_\_

## Joint Oath and List of Organizing Directors

State of \_\_\_\_\_  
County of \_\_\_\_\_

We, the undersigned, organizing directors of the \_\_\_\_\_, (in organization) located at \_\_\_\_\_, being citizens of the United States, and satisfying the residency requirements of 12 USC 72, do, each for himself, and not one for the other solemnly swear (affirm) that we will severally so far as the duty devolves on us, diligently and honestly administer the affairs of the association; and that we will not knowingly violate, any of the provisions of the statutes of the United States under which the association has been organized.

1. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_  
  
\_\_\_\_\_  
Name (typed or printed) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_
2. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_  
  
\_\_\_\_\_  
Name (typed or printed) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_
3. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_  
  
\_\_\_\_\_  
Name (typed or printed) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_
4. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_  
  
\_\_\_\_\_  
Name (typed or printed) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_
5. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_  
  
\_\_\_\_\_  
Name (typed or printed) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_
6. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_  
  
\_\_\_\_\_  
Name (typed or printed) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_



7.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
8.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
9.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
10.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
11.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
12.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
13.	_____	_____
	Signature	Post Office or Mailing Address
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	Name (typed or printed)	City State ZIP Code
14.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code

15.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
16.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
17.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
18.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
19.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
20.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
21.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code
22.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code

23. \_\_\_\_\_  
Signature Post Office or Mailing Address
- \_\_\_\_\_  
Name (typed or printed) City State ZIP Code
24. \_\_\_\_\_  
Signature Post Office or Mailing Address
- \_\_\_\_\_  
Name (typed or printed) City State ZIP Code
25. \_\_\_\_\_  
Signature Post Office or Mailing Address
- \_\_\_\_\_  
Name (typed or printed) City State ZIP Code

### **Certification**

I hereby certify that the residency requirements contained in 12 USC 72 have been fulfilled.

Secretary or Cashier's Signature \_\_\_\_\_  
Secretary or Cashier's Name (typed) \_\_\_\_\_

### **Notary's Affirmation**

Subscribed and sworn (affirmed) before the undersigned, who is not an officer of the above-named association, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Official Seal Notary Public \_\_\_\_\_  
of Notary Commission Expires: \_\_\_\_\_

## Individual Oath of National Bank Director

Charter Number \_\_\_\_\_  
Name of Bank \_\_\_\_\_  
City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_

I, the undersigned, a director of the above-named bank, being a citizen of the United States, do solemnly swear (affirm) that I will, so far as the duty devolves on me, diligently and honestly administer the affairs of the association; that I will not knowingly violate, or willingly permit to be violated, any of the provisions of the statutes of the United States under which this association has been organized, and that I am the owner, in good faith and in my own right, of the number of shares of stock of the aggregate par value required by the statutes, or appropriate implementing regulation, subscribed by me or standing in my name on the books of the association, or an equivalent interest in a company that has control over such association within the meaning of Section 2 of the Bank Holding Company Act of 1956, and that the same is not hypothecated, or in any way pledged as security for any loan or debt.

Signature \_\_\_\_\_  
Name (typed) \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

### Certification

On \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ was [elected by the shareholders at the (adjourned) annual meeting or a regularly called meeting or appointed by the directors to fill a vacancy] as a member of the board of directors.

I hereby certify that the residency requirements contained in 12 USC 72 have been fulfilled.

Secretary or Cashier's Signature \_\_\_\_\_  
Secretary or Cashier's Name (typed) \_\_\_\_\_

### Notary's Affirmation

Subscribed and sworn (affirmed) before the undersigned, who is not an officer of the above-named bank, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Official Seal \_\_\_\_\_ Notary Public \_\_\_\_\_  
of Notary \_\_\_\_\_ Commission Expires: \_\_\_\_\_

## Joint Oath and List of National Bank Directors

Charter Number \_\_\_\_\_  
Name of Bank \_\_\_\_\_  
City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_

We, the undersigned directors of the above-named bank, being citizens of the United States, do, personally, and not one for the other, solemnly swear (affirm) that we will severally, as far as the duty devolves on us, diligently and honestly administer the affairs of the association; and that we will not knowingly violate, or willingly permit to be violated, any of the provisions of the statutes of the United States under which this association has been organized; and, that we are each the owner, in good faith, and in our own right, of the number of shares of stock of the aggregate par value required by the statutes, or appropriate implementing regulation, subscribed by each of us or standing in our name on the books of the association, or an equivalent interest in a company which has control over such association within the meaning of Section 2 of the Bank Holding Company Act of 1956; and that the same is not hypothecated, or in any way pledged as security for any loan or debt.

1. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_  
  
\_\_\_\_\_  
Name (typed or printed) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_
2. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_  
  
\_\_\_\_\_  
Name (typed or printed) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_
3. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_  
  
\_\_\_\_\_  
Name (typed or printed) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_
4. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_  
  
\_\_\_\_\_  
Name (typed or printed) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_
5. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_  
  
\_\_\_\_\_  
Name (typed or printed) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

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	Name (typed or printed)	City State ZIP Code
8.	_____	_____
	Signature	Post Office or Mailing Address
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	Signature	Post Office or Mailing Address
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	Name (typed or printed)	City State ZIP Code
20.	_____	_____
	Signature	Post Office or Mailing Address
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	Name (typed or printed)	City State ZIP Code
21.	_____	_____
	Signature	Post Office or Mailing Address
	_____	_____
	Name (typed or printed)	City State ZIP Code

22. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_
- \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_  
Name (typed or printed)
23. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_
- \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_  
Name (typed or printed)
24. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_
- \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_  
Name (typed or printed)
25. \_\_\_\_\_  
Signature \_\_\_\_\_ Post Office or Mailing Address \_\_\_\_\_
- \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_  
Name (typed or printed)

### Certification

On \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ were [elected by the shareholders at the (adjourned) annual meeting or a regularly called meeting or appointed by the directors to fill a vacancy] as a member of the board of directors.

These are the oaths and list of all directors elected at the (adjourned) annual meeting of shareholders and who signed the joint oath of directors of the above-named bank held on \_\_\_\_\_, \_\_\_\_\_, the required notice of which was given, no officer or employee having acted as proxy at said meeting.

\_\_\_\_\_ shares of common stock of the bank were represented at the meeting in person.

\_\_\_\_\_ shares of common stock of the bank were represented at the meeting by proxy.

\_\_\_\_\_ shares of preferred stock of the bank were represented at the meeting in person.

\_\_\_\_\_ shares of preferred stock of the bank were represented at the meeting by proxy.

\_\_\_\_\_ total number of shareholders.

I hereby certify that the residency requirements contained in 12 USC 72 have been fulfilled.

Secretary or Cashier's Signature \_\_\_\_\_  
Secretary or Cashier's Name (typed) \_\_\_\_\_



### **Notary's Affirmation**

Subscribed and sworn (affirmed) before the undersigned, who is not an officer of the above-named bank, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Official Seal  
of Notary

Notary Public \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

## Instructions—Bylaws

Organizing and existing national banks should follow these instructions. The paragraphs marked with an asterisk \* are not mandatory. However, the subject covered by such paragraphs should be addressed adequately by alternative provisions in the Bylaws in a manner consistent with law.

# Bylaws

Name of Bank

## Article I

### *Meetings of Shareholders*

Section 1.1. *Annual Meeting.* The regular annual meeting of the shareholders to elect directors and transact whatever other business may properly come before the meeting, shall be held at the main office of the association, (street address), city of \_\_\_\_\_, state of \_\_\_\_\_ or such other place as the board of directors may designate, at \_\_\_ o'clock, on the \_\_\_\_\_ of each year, or if that date falls on a legal holiday in the state in which the association is located, on the next following banking day. Notice of the meeting shall be mailed by first class mail, postage prepaid, at least 10 days and no more than 60 days prior to the date thereof, addressed to each shareholder at his/her address appearing on the books of the association. If, for any cause, an election of directors is not made on that date, or in the event of a legal holiday, on the next following banking day, an election may be held on any subsequent day within 60 days of the date fixed, to be designated by the board of directors, or, if the directors fail to fix the date, by shareholders representing two-thirds of the shares.

\* Section 1.2. *Special Meetings.* Except as otherwise specifically provided by statute, special meetings of the shareholders may be called for any purpose at any time by the board of directors or by any \_\_\_\_\_ or more shareholders owning, in the aggregate, not less than \_\_\_\_\_ percent of the stock of the association. Every such special meeting, unless otherwise provided by law, shall be called by mailing, postage prepaid, not less than 10 days nor more than 60 days prior to the date fixed for the meeting, to each shareholder at the address appearing on the books of the association a notice stating the purpose of the meeting.

The board of directors may fix a record date for determining shareholders entitled to notice and to vote at any meeting, in reasonable proximity to the date of giving notice to the shareholders of such meeting. The record date for determining shareholders entitled to demand a special meeting is the date the first shareholder signs a demand for the meeting describing the purpose or purposes for which it is to be held.

A special meeting may be called by shareholders or the board of directors to amend the Articles of Association or Bylaws, whether or not such Bylaws may be amended by the board in the absence of shareholder approval.

If an annual or special shareholders' meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment, unless any additional items of business are to be considered, or the association becomes aware of an intervening event materially affecting any matter to be voted on more than 10 days prior to the date to which the meeting is adjourned. If a new record date for

the adjourned meeting is fixed, however, notice of the adjourned meeting must be given to persons who are shareholders as of the new record date.

Section 1.3. *Nominations of Directors.* Nominations for election to the board of directors may be made by the board of directors or by any stockholder of any outstanding class of capital stock of the association entitled to vote for the election of directors. Nominations, other than those made by or on behalf of the existing management of the association, shall be made in writing and shall be delivered or mailed to the president of the association not less than 14 days nor more than 50 days prior to any meeting of shareholders called for the election of directors, provided that, however, that if less than 21 days' notice of the meeting is given to shareholders, such nomination shall be mailed or delivered to the president of the association no later than the close of business on the seventh day following the day on which the notice of meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholder:

- (1) The name and address of each proposed nominee.
- (2) The principal occupation of each proposed nominee.
- (3) The total number of shares of capital stock of the association that will be voted for each proposed nominee.
- (4) The name and residence address of the notifying shareholder.
- (5) The number of shares of capital stock of the association owned by the notifying shareholder.

Nominations not made in accordance herewith may, in his/her discretion, be disregarded by the chairperson of the meeting, and upon his/her instructions, the vote tellers may disregard all votes cast for each such nominee.

\* Section 1.4. Judges of Election. Every election of directors shall be managed by three judges, who shall be appointed from among the shareholders by the board of directors. The judges of election shall hold and conduct the election at which they are appointed to serve. After the election, they shall file with the cashier a certificate signed by them, certifying the result thereof and the names of the directors elected. The judges of election, at the request of the chairperson of the meeting, shall act as tellers of any other vote by ballot taken at such meeting, and shall certify the result thereof.

Section 1.5. Proxies. Shareholders may vote at any meeting of the shareholders by proxies duly authorized in writing, but no officer or employee of this association shall act as proxy. Proxies shall be valid only for one meeting, to be specified therein, and any adjournments of such meeting. Proxies shall be dated and filed with the records of the meeting. Proxies with facsimile signatures may be used and unexecuted proxies may be counted upon receipt of a written confirmation from the shareholder. Proxies meeting the above requirements submitted at any time during a meeting shall be accepted.

Section 1.6. Quorum. A majority of the outstanding capital stock, represented in

person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law, or by the shareholders or directors pursuant to section 9.2, but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association, or by the shareholders or directors pursuant to section 9.2.

## Article II

### Directors

Section 2.1. Board of Directors. The board of directors (board) shall have the power to manage and administer the business and affairs of the association. Except as expressly limited by law, all corporate powers of the association shall be vested in and may be exercised by the board.

Section 2.2. Number. The board shall consist of no less than five nor more than twenty-five persons, the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the full board or by resolution of a majority of the shareholders at any meeting thereof.

Section 2.3. Organization Meeting. The cashier or secretary, upon receiving the certificate of the judges, of the result of any election, shall notify the directors-elect of their election and of the time at which they are required to meet at the main office of the association to organize the new board and elect and appoint officers of the association for the succeeding year. Such meeting shall be held on the day of the election or as soon thereafter as practicable, and, in any event, within 30 days thereof. If, at the time fixed for such meeting, there shall not be a quorum, the directors present may adjourn the meeting, from time to time, until a quorum is obtained.

Section 2.4. Regular Meetings. The regular meetings of the board of directors shall be held, without notice, on the \_\_\_\_\_ of each \_\_\_\_\_ at the main office or other such place as the board may designate. When any regular meeting of the board falls upon a holiday, the meeting shall be held on the next banking business day unless the board shall designate another day.

Section 2.5. Special Meetings. Special meetings of the board of directors may be called by the association, or at the request of \_\_\_\_\_ or more directors. Each member of the board of directors shall be given notice stating the time and place by telegram, first class mail, or in person, of each special meeting.

Section 2.6. Quorum. A majority of the director positions on the board shall constitute a quorum at any meeting, except when otherwise provided by law, or the Bylaws, but a lesser number may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice. If the number of directors is reduced below the number that would constitute a quorum, no business may be transacted, except selecting directors to fill vacancies in conformance with section 2.7.

If a quorum is present, the board of directors may take action through the vote of a majority of the directors who are in attendance.

Section 2.7. Vacancies. When any vacancy occurs among the directors, a majority of the remaining members of the board, according to the laws of the United States, may appoint a director to fill such vacancy at any regular meeting of the board, or at a special meeting called for that purpose at which a quorum is present, or if the directors remaining in office constitute fewer than a quorum of the board, by the affirmative vote of a majority of all the directors remaining in office, or by shareholders at a special meeting called for that purpose, in conformance with section 2.2 of this article. At any such shareholder meeting, each shareholder entitled to vote shall have the right to multiply the number of votes he or she is entitled to cast by the number of vacancies being filled and cast the product for a single candidate or distribute the product among two or more candidates.

A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date) may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

### Article III

#### Committees of the Board

(INSTRUCTION: The board of directors has power over and is solely responsible for the management, supervision, and administration of the association. The board of directors may delegate its power, but none of its responsibilities, to such persons or committees as the board may determine.)

The board of directors must formally ratify written policies authorized by committees of the board before they become effective. Each committee must have one or more member(s), who serve at the pleasure of the board of directors. Provisions of the articles and Bylaws governing place of meetings, notice of meeting, quorum, and voting requirements of the board of directors, apply to committees and their members as well. The creation of a committee and appointment of members to it must be approved by the board of directors.

Section 3.1. Loan Committee. There shall be a loan committee composed of (number) directors, appointed by the board annually or more often. The loan committee shall have power to discount and purchase bills, notes and other evidences of debt, to buy and sell bills of exchange, to examine and approve loans and discounts, to exercise authority regarding loans and discounts, and to exercise, when the board is not in session, all other powers of the board that may be delegated lawfully. The loan committee shall keep minutes of its meetings, and such minutes shall be submitted at the next regular meeting of the board of directors at which a quorum is present, and any action taken by the board with respect thereto shall be entered in the minutes of the board.

Section 3.2. Investment Committee. There shall be an investment committee composed of (number) directors, appointed by the board annually or more often. The investment committee shall have the power to ensure adherence to the investment policy, to recommend amendments thereto, to purchase and sell

securities, to exercise authority regarding investments and to exercise, when the board is not in session, all other powers of the board regarding investment securities that may be lawfully delegated. The investment committee shall keep minutes of its meetings, and such minutes shall be submitted at the next regular meeting of the board of directors at which a quorum is present, and any action taken by the board with respect thereto shall be entered in the minutes of the board.

Section 3.3. Examining Committee. There shall be an examining committee composed of no less than (number) directors, exclusive of any active officers, appointed by the board annually or more often. The duty of that committee shall be to examine at least once during each calendar year and within 15 months of the last examination the affairs of the association or cause suitable examinations to be made by auditors responsible only to the board of directors and to report the result of such examination in writing to the board at the next regular meeting thereafter. Such report shall state whether the association is in a sound condition, and whether adequate internal controls and procedures are being maintained and shall recommend to the board such changes in the manner of conducting the affairs of the association as shall be deemed advisable.

Section 3.4. Other Committees. The board of directors may appoint, from time to time, from its own members, compensation, special litigation and other committees of one or more persons, for such purposes and with such powers as the board may determine.

However, a committee may not:

- (1) Authorize distributions of assets or dividends.
- (2) Approve action required to be approved by shareholders.
- (3) Fill vacancies on the board of directors or any of its committees.
- (4) Amend the Articles of Association.
- (5) Adopt, amend, or repeal the Bylaws.
- (6) Authorize or approve the issuance or sale, or contract for sale, of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares.

## Article IV

### Officers and Employees

Section 4.1. Chairperson of the Board. The board of directors shall appoint one of its members to be the chairperson of the board to serve at its pleasure. Such person shall preside at all meetings of the board of directors. The chairperson of the board shall supervise the carrying out of the policies adopted or approved by the board; shall have general executive powers, as well as the specific powers conferred by

these Bylaws; and shall have and may exercise such further powers and duties as from time to time may be conferred upon, or assigned by the board of directors.

Section 4.2. President. The board of directors shall appoint one of its members to be the president of the association. In the absence of the chairperson, the president shall preside at any meeting of the board. The president shall have general executive powers, and shall have and may exercise any and all other powers and duties pertaining by law, regulation, or practice, to the office of president, or imposed by these Bylaws. The president shall also have and may exercise such further powers and duties as from time-to-time may be conferred, or assigned by the board of directors.

Section 4.3. Vice President. The board of directors may appoint one or more vice presidents. Each vice president shall have such powers and duties as may be assigned by the board of directors. One vice president shall be designated by the board of directors, in the absence of the president, to perform all the duties of the president.

Section 4.4. Cashier. The board of directors shall appoint a secretary, cashier, or other designated officer who shall be secretary of the board and of the association, and shall keep accurate minutes of all meetings. The secretary shall attend to the giving of all notices required by these Bylaws; shall be custodian of the corporate seal, records, documents, and papers of the association; shall provide for the keeping of proper records of all transactions of the association; shall have and may exercise any and all other powers and duties pertaining by law, regulation, or practice, to the office of cashier, or imposed by these Bylaws; and shall also perform such other duties as may be assigned from time-to-time, by the board of directors.

Section 4.5. Other Officers. The board of directors may appoint one or more assistant vice presidents, one or more trust officers, one or more assistant secretaries, one or more assistant cashiers, one or more managers and assistant managers of branches and such other officers and attorneys in fact as from time to time may appear to the board of directors to be required or desirable to transact the business of the association. Such officers shall respectively exercise such powers and perform such duties as pertain to their several offices, or as may be conferred upon, or assigned to, them by the board of directors, the chairperson of the board, or the president. The board of directors may authorize an officer to appoint one or more officers or assistant officers.

Section 4.6. Tenure of Office. The president and all other officers shall hold office for the current year for which the board was elected, unless they shall resign, become disqualified, or be removed; and any vacancy occurring in the office of president shall be filled promptly by the board of directors.

Section 4.7. Resignation. An officer may resign at any time by delivering notice to the association. A resignation is effective when the notice is given unless the notice specifies a later effective date.



\* Article V

\* Fiduciary Activities

(INSTRUCTION: The board of directors has power and is solely responsible for the management and administration of fiduciary activities. The board of directors may delegate its fiduciary powers, but not any of its fiduciary responsibilities, to such persons or committees as the board may determine. 12 CFR 9 requires that there be a trust audit committee. If it is desired to have a trust officer or trust investment committee, sections 5.1 and 5.2 may be used.)

Section 5.1. Trust Officer. There shall be a trust officer of this association whose duties shall be to manage, supervise, and direct all fiduciary activities. Such persons shall do or cause to be done all things necessary or proper in carrying on the fiduciary business of the association according to provisions of law and applicable regulations; and shall act pursuant to opinion of counsel when such opinion is deemed necessary. Opinions of counsel shall be retained on file in connection with all important matters pertaining to fiduciary activities. The trust officer shall be responsible for all assets and documents held by the association in connection with fiduciary matters.

The board of directors may appoint other trust officers as it may deem necessary, with such duties as may be assigned.

Section 5.2. Trust Investment Committee. There shall be a trust investment committee of this association composed of \_\_\_\_\_ members, who shall be capable and experienced officers or directors of the association. All investments of funds held in a fiduciary capacity shall be made, retained or disposed of only with the approval of the trust investment committee, and the committee shall keep minutes of all its meetings, showing the disposition of all matters considered and passed upon by it. The committee shall, promptly after the acceptance of an account for which the association has investment responsibilities, review the assets thereof, to determine the advisability of retaining or disposing of such assets. The committee shall conduct a similar review at least once during each calendar year thereafter and within 15 months of the last such review. A report of all such reviews, together with the action taken as a result thereof, shall be noted in the minutes of the committee.

Section 5.3. Trust Audit Committee. The board of directors shall appoint a committee of \_\_\_\_\_ directors, exclusive of any active officer of the association, which shall, at least once during each calendar year and within 15 months of the last such audit make suitable audits of the association's fiduciary activities or cause suitable audits to be made by auditors responsible only to the board of directors, and at such time shall ascertain whether fiduciary powers have been administered according to law, Part 9 of the Regulations of the Comptroller of the Currency, and sound fiduciary principles.

Section 5.4. Fiduciary Files. There shall be maintained by the association all fiduciary records necessary to assure that its fiduciary responsibilities have been

properly undertaken and discharged.

Section 5.5. Trust Investments. Funds held in a fiduciary capacity shall be invested according to the instrument establishing the fiduciary relationship and local law. Where such instrument does not specify the character and class of investments to be made and does not vest in the association a discretion in the matter, funds held pursuant to such instrument shall be invested in investments in which corporate fiduciaries may invest under local law.

## Article VI

### Stock and Stock Certificates

Section 6.1. Transfers. Shares of stock shall be transferable on the books of the association, and a transfer book shall be kept in which all transfers of stock shall be recorded. Every person becoming a shareholder by such transfer shall, in proportion to his or her shares, succeed to all rights of the prior holder of such shares. The board of directors may impose conditions upon the transfer of the stock reasonably calculated to simplify the work of the association for stock transfers, voting at shareholder meetings, and related matters, and to protect it against fraudulent transfers.

Section 6.2. Stock Certificates. Certificates of stock shall bear the signature of the president (which may be engraved, printed, or impressed), and shall be signed manually or by facsimile process by the secretary, assistant secretary, cashier, assistant cashier, or any other officer appointed by the board of directors for that purpose, to be known as an authorized officer, and the seal of the association shall be engraved thereon. Each certificate shall recite on its face that the stock represented thereby is transferable only upon the books of the association properly endorsed.

The board of directors may adopt or use procedures for replacing lost, stolen, or destroyed stock certificates as permitted by law.

The association may establish a procedure through which the beneficial owner of shares that are registered in the name of a nominee may be recognized by the association as the shareholder. The procedure may set forth:

- (1) The types of nominees to which it applies.
- (2) The rights or privileges that the association recognizes in a beneficial owner.
- (3) How the nominee may request the association to recognize the beneficial owner as the shareholder.
- (4) The information that must be provided when the procedure is selected.
- (5) The period over which the association will continue to recognize the beneficial owner as the shareholder.
- (6) Other aspects of the rights and duties created.

## Article VII

### Corporate Seal

The president, the cashier, the secretary, or any assistant cashier or assistant secretary, or other officer thereunto designated by the board of directors, shall have authority to affix the corporate seal to any document requiring such seal and to attest the same. Such seal shall be substantially in the following form:

( Impression )  
( of )  
( Seal )

## Article VIII

### Miscellaneous Provisions

Section 8.1. Fiscal Year. The fiscal year of the association shall be the calendar year.

Section 8.2. Execution of Instruments. All agreements, indentures, mortgages, deeds, conveyances, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, proxies and other instruments or documents may be signed, executed, acknowledged, verified, delivered or accepted on behalf of the association by the chairperson of the board, or the president, or any vice president, or the secretary, or the cashier, or, if in connection with the exercise of fiduciary powers of the association, by any of those officers or by any trust officer. Any such instruments may also be executed, acknowledged, verified, delivered or accepted on behalf of the association in such other manner and by such other officers as the board of directors may from time to time direct. The provisions of this section 8.2 are supplementary to any other provision of these Bylaws.

Section 8.3. Records. The Articles of Association, the Bylaws, and the proceedings of all meetings of the shareholders, the board of directors, and standing committees of the board, shall be recorded in appropriate minute books provided for that purpose. The minutes of each meeting shall be signed by the secretary, cashier, or other officer appointed to act as secretary of the meeting.

Section 8.4. Corporate Governance Procedures. To the extent not inconsistent with applicable federal banking statutes, the corporate governance procedures of [insert the law of the state in which the main office of the bank is located, or the law of the state in which the bank's holding company is incorporated, or the relevant provisions of the Model Business Corporation Act (1984, as amended 1994, and as amended thereafter), or, Delaware General Corporation Law, Del. Code Ann. Tit. 8 (1991, as amended 1994, and as amended thereafter)] will be followed.

Section 8.5. Indemnification.

The bank may make or agree to make indemnification payments to an institution-affiliated party, as defined at 12 USC 1813(u), for an administrative proceeding or

civil action initiated by any federal banking agency, that are reasonable and consistent with the requirements of 12 USC 1828(k) and its implementing regulations.

The bank may indemnify an institution-affiliated party, as defined at 12 USC 1813(u), for damages and expenses, including the advancement of expenses and legal fees, in cases involving an administrative proceeding or civil action not initiated by a federal banking agency, in accordance with [insert the law of the state in which the main office of the bank is located, the law of the state in which the bank's holding company is incorporated, or the relevant provisions of the Model Business Corporation Act (1984, as amended 1994, and as amended thereafter), or Delaware General Corporation Law, Del. Code Ann. tit. 8 (1991, as amended 1994, and as amended thereafter)], provided such payments are consistent with safe and sound banking practices.

## Article IX

### Bylaws

Section 9.1. Inspection. A copy of the Bylaws, and all amendments shall at all times be kept in a convenient place at the main office of the association, and may be inspected by all shareholders during banking hours.

Section 9.2. Amendments. The Bylaws may be amended, altered, or repealed, at any regular meeting of the board of directors, by a vote of a majority of the total number of the directors, except as provided below.

I, \_\_\_\_\_, certify that: (1) I am the duly constituted (secretary) or (cashier) of \_\_\_\_\_ and secretary of its board of directors, and as such officer am the official custodian of its records; (2) the foregoing Bylaws are the Bylaws of the association, and all of them are now lawfully in force and effect.

I have hereunto affixed my official signature and the seal of the association, in the city of \_\_\_\_\_, on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal of Bank, if  
customary)

\_\_\_\_\_  
(Secretary or Cashier)

## Subscription

Date

Escrow Agent's Name

Escrow Bank Name

Address

City, State, ZIP Code

Dear Mr./Ms. (Name):

The undersigned having read the registration statement dated (date) of (name of bank) subscribe for the number of shares of capital stock of (name of bank), set opposite their respective names at \$(amount) per share.

Enclosed with this letter is a check made payable to the (escrow bank name) for your order for the amount of this subscription, in the total sum of \$(amount), which amount when received by you is to be held in escrow subject to the following instructions:

- The funds so received, until the bank receives its charter, may be invested by you, without any liability on your part, only directly or indirectly (e.g., mutual funds) in U.S. government securities (bills, bonds, or notes).
- If this subscription offer, or any part thereof, is not accepted by the organizers, please return to the undersigned the amount that has been paid to you as escrow agent; otherwise, return as much of the payment as exceeds the amount required for the shares allotted to the undersigned. If any profits accrue on money because of its investment by you, the amount returned will include any such profits.
- If the Comptroller of the Currency does not charter the bank, you must return promptly the amount of this payment to the undersigned, plus any profits accrued thereon or minus any losses incurred thereon through your investment of such funds in U.S. government securities, and in that event your duties and responsibilities hereunder shall terminate.
- The organizers reserve the right to reject in whole or in part any offer to subscribe and to allot a lesser number of shares than are subscribed for. Until the date the bank commences operations, the organizers have the right to

return the subscription price in whole or in part and cancel the subscription agreement if ordered to do so by the Comptroller of the Currency.

<u>Name</u>	<u>Address</u>	<u>Shares</u>	<u>Amount</u>
-------------	----------------	---------------	---------------

Sincerely,

)Signature)

Name and Title

## Capital Stock Payment Certificate

The undersigned officers and directors of \_\_\_\_\_  
now organizing under the provisions of the United States Code, as amended, at \_\_\_\_\_  
\_\_\_\_\_ hereby certify that:

1. Each shareholder has individually paid, in cash, 100 percent of his or her subscription for stock in the proposed bank.
2. The capital accounts paid in, in cash, no part of which is represented by promissory notes or other evidences of debt in favor of the organizing bank, are as follows:

Capital Stock	\$ _____
Surplus	\$ _____
Total capital funds paid in	\$ _____

3. All of the provisions of the United States Code, as amended, which must be followed before receiving authority to commence the business of banking, have been complied with.
4. The names and places of residence of all bank directors and the number of shares of its stock individually owned in good faith by each of them are as follows:

(The typed or printed names, but not the signatures, of all directors must be listed.)

Name of Director	Place of Residence (town or city, and state)	Number of Shares of Stock Owned
------------------	---	---------------------------------------

1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____
11.	_____	_____
12.	_____	_____
13.	_____	_____
14.	_____	_____
15.	_____	_____
16.	_____	_____
17.	_____	_____
18.	_____	_____

19. \_\_\_\_\_
20. \_\_\_\_\_
21. \_\_\_\_\_
22. \_\_\_\_\_
23. \_\_\_\_\_
24. \_\_\_\_\_
25. \_\_\_\_\_

(A majority of the directors, exclusive of the president or cashier, must sign in the following spaces provided for directors' signatures.)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(President or Cashier)

State of \_\_\_\_\_

County of \_\_\_\_\_

Before the undersigned, a \_\_\_\_\_ of \_\_\_\_\_ personally appeared, and the persons whose signatures appear above and made oath that the foregoing certificate is true to the best of their knowledge and belief.

Witness my hand and seal of office this day of \_\_\_\_\_, \_\_\_\_.

Official Seal  
of Notary

Notary Public \_\_\_\_\_  
Commission Expires: \_\_\_\_\_



## Corporate Resolution

I hereby certify that I am the (secretary/cashier) of (full corporate name of bank), located in (city, state), and that I have been appointed and am presently serving in that capacity according to the Bylaws of the bank.

I further certify that at a meeting of the board of directors of the bank, called and convened on (month, day, year), the following resolution(s) was adopted by a majority of the board of directors.

(INSERT RESOLUTION(S) ADOPTED ) THE ENTIRE TEXT SHOULD BE INCLUDED.)

I certify that the foregoing resolution(s) (is/are) presently in full force and effect and (has/have) not been revoked or rescinded as of this date.

In witness whereof, I hereupon set the seal of this association this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal of Bank,  
if customary)

\_\_\_\_\_  
Secretary or Cashier

## Proxy Statement

KNOW ALL PERSONS BY THESE PRESENTS that I, the undersigned shareholder of (bank name), do hereby appoint (an individual that is not an officer or employee of the bank may be named as proxy) or any one of them (with full power to act alone), my true and lawful attorney(s) with full power of substitution, for me and in my name, place and stead to vote and act on all shares of common stock of the association, which the undersigned would be entitled to vote, at the meeting of shareholders to be held on \_\_\_\_\_, \_\_\_\_ at \_\_.m., at \_\_\_\_\_ or at any adjournments thereof, with all the powers the undersigned would possess if personally present, as follows:

1. Fixing the number of directors to be elected at \_\_\_\_\_ \_\_\_\_ For  
\_\_\_\_ Against
2. Election of the \_\_\_\_\_ persons listed in the proxy statement dated \_\_\_\_\_ '\_\_\_\_\_' accompanying the notice of the meeting. \_\_\_\_ For  
\_\_\_\_ Against
3. Approval of organization expenses as submitted. \_\_\_\_ For  
\_\_\_\_ Against
4. Ratification of Articles of Association, Organization Certificate, and of other official acts of the organizers, organizing directors, and officers. \_\_\_\_ For  
\_\_\_\_ Against

This proxy confers authority to vote "for" each listed proposition, unless "against" is indicated. If any other business is presented at the meeting, this proxy shall be voted according to the recommendations of management.

The organizing board of directors recommends a vote "for" each of the listed propositions. This proxy is solicited on behalf of management and may be revoked prior to its exercise.

Dated: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
(Signature of Shareholder)

When signing as attorney, executor, administrator, trustee or guardian, please give full title. If more than one trustee, all should sign. All joint owners must sign.

## Notice of First Shareholders' Meeting

The first shareholders' meeting of (name of bank) will be held on (date) at (time) at (location). Only those shareholders of record at the close of business on (date) will be entitled to vote. Cumulative voting is permitted in the election of directors. For all other purposes, each share is entitled to one vote.

### Fixing Number of Directors

All shares of stock represented by proxies in the accompanying form will be voted in favor of fixing the number of directors to be elected at \_\_\_\_\_, being the number of the following nominees. A majority vote of the shares represented at the meeting is required to fix such number.

### Nominees for Election of Directors

Name	Age	Principal Occupation or Employment
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

### Ratification of Articles of Association and Acts of Organizers

Proxies given to management will be voted in favor of ratifying the Articles of Association, Organization Certificate, and other official actions of the organizers, organizing directors, and officers. Copies of the Articles of Association, Organization Certificate, and minutes of meetings of the organizing board of directors will be open until the meeting for examination by shareholders of record during business hours at the office of the association (street address). (A brief description of any other transactions to be ratified by shareholders should be inserted.)

### Approval of Organization Expenses

Proxies given to management will be voted in favor of approval of organization expenses totaling \$\_\_\_\_\_ out of the capital funds of the association. An itemized list of such expenses will be available and read at the meeting.

### Other

The transaction of such other and further business as may properly come before the meeting.

Date \_\_\_\_\_

By Order of the Organizing  
Board of Directors

\_\_\_\_\_  
Secretary

## Minutes of the First Shareholders' Meeting

The first meeting of the shareholders of      (name of bank)      was called to order by                     , chairperson of the organizing board of the association at (location) on            at        .m., pursuant to notice dated                     , secretary of the association, acted as secretary of the meeting.

The secretary reported that from a total of        shares of stock outstanding and entitled to vote at the meeting,        shares were represented at the meeting,        shares in person and        shares by proxy filed with the secretary, constituting a majority of the outstanding shares of the association.

The proxies presented were ordered to be filed with the secretary of the meeting.

The secretary presented and read a copy of a notice of the meeting, together with proof of the mailing of the same at least 10 days prior to the meeting to each registered stockholder at his/her address as the same appears on the books of the association on                     .

                    ,                     ,                     , and                      having received the highest number of votes were declared by the chairperson to have been duly elected directors of the association to serve until the next annual meeting of shareholders and until their respective successors are elected and qualified.

The chairperson stated that according to law the organizers had drawn up and filed with the Comptroller of the Currency on                      [Articles of Association](#) and an [Organization Certificate](#) and that copies of those documents were on file with the secretary and available for inspection by any shareholder of record.

On motion duly made and seconded, the following resolution was adopted by the vote of a majority of shares outstanding entitled to vote.

RESOLVED that the Articles of Association and Organization Certificate filed with the Comptroller of the Currency on                      are hereby ratified and approved.

The chairperson stated that according to law and the requirements of the Comptroller of the Currency, the affairs of the association to date had been conducted by an organizing board of directors elected by the organizers and an organizing chairperson of the board and secretary appointed by the organizing board of directors. He/she further stated that the minutes of the organizing board of directors were on file with the secretary and available for inspection by any shareholder of record.

Upon motion duly made and seconded, the following resolution was adopted by the vote of a majority of outstanding shares entitled to vote.

RESOLVED that all contracts, acts and proceedings of the organizing board of directors and organizing officers since the organization of the association are

hereby ratified and approved.

The chairperson asked the secretary to read a list of the organization costs for (name of bank). The secretary read, by item, the expenses as follows: (A copy is attached and made a part of the minutes.) The total organization costs were \$\_\_\_\_\_.

After discussion, on motion duly made, seconded and adopted, payment of the organization expenses, from the capital funds of the association, was approved.

There being no further business to come before the meeting the same was, by motion duly made and seconded, adjourned.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

## Waiver of Notice of the First Board Meeting

We, the undersigned, being all the directors of (name of bank), a national banking association in organization, call the first meeting of the board of directors, waive all notice thereof and consent and agree that such first meeting of the board of directors shall be held at \_\_\_\_\_ in the city of \_\_\_\_\_, state of \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ at the hour of \_\_\_\_\_, \_\_.m.

Date \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## First Meeting of Directors

The first meeting of the board of directors of (name of bank), a national banking association, was held at the office of the association at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, pursuant to written waiver of notice signed by all of the directors of the association, a copy of which is attached.

Present: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ constituting all (or a majority) of the board of directors.

\_\_\_\_\_ was chosen temporary chairperson of the meeting and \_\_\_\_\_ was appointed temporary secretary of the meeting and kept the minutes.

The temporary secretary presented to the meeting a waiver of notice of the meeting signed by all the directors of the association.

The temporary chairperson announced that the first order of business was the election of officers. Nominations having been made, the following persons were elected as officers of the association to serve at the pleasure of the board of directors:

Chairperson of the Board \_\_\_\_\_  
President \_\_\_\_\_  
Vice President \_\_\_\_\_  
Secretary \_\_\_\_\_  
Cashier \_\_\_\_\_  
Compliance Officer \_\_\_\_\_  
Security Officer \_\_\_\_\_

The chairperson announced the ratification of the [Bylaws](#) to be in order and thereupon \_\_\_\_\_ presented a copy of the Bylaws as previously adopted by the organizing board and moved that they be ratified, which motion was seconded and carried.

The chairperson stated that officers of the \_\_\_\_\_ Bank at \_\_\_\_\_, had been consulted relative to using the bank as the depository of the funds of the association. Discussion followed and it was agreed that the \_\_\_\_\_ Bank of \_\_\_\_\_ be named as the association's depository and that \_\_\_\_\_ and \_\_\_\_\_ be authorized to sign checks, drafts, and other similar instruments. It was further provided that any \_\_\_\_\_ of the \_\_\_\_\_ named officers' signatures would be necessary to validate a check, draft, or similar instrument. \_\_\_\_\_ presented a form of resolution requested by \_\_\_\_\_ Bank to authorize the account and the resolution was unanimously adopted. The form of the resolution is as follows:

(Insert printed bank resolution.)

The chairperson announced that the next order of business was the appointment of standing committees pursuant to section 3 of the Bylaws.

Motion having been made, seconded and carried, the following persons were appointed as the loan committee to carry out the functions described in section 3 of the Bylaws:

\_\_\_\_\_  
\_\_\_\_\_

Motion having been made, seconded and carried, the following persons were appointed as the investment committee to carry out the functions described in section 3 of the Bylaws:

\_\_\_\_\_  
\_\_\_\_\_

Motion having been made, seconded and carried, the following persons were appointed as the examining committee to carry out the functions described in section 3 of the Bylaws:

\_\_\_\_\_  
\_\_\_\_\_

There being no further business to come before the meeting the same was, by motion duly made and seconded, adjourned.

\_\_\_\_\_  
Secretary



## Organization Completed

Date

Licensing Manager, District  
Comptroller of the Currency  
Address  
City, State, ZIP Code

Re: Application Description, CAIS Control Number

Dear Licensing Manager:

I certify that all of the following documents required for the organization of (name of national bank) have been executed and are retained in the bank's file.

- [First Meeting of Organizers.](#)
- [Oath and List of Organizing Directors.](#)
- [Organizing Board's First Meeting.](#)
- [Notice of First Shareholders' Meeting.](#)<sup>1</sup>
- [Minutes of First Shareholders' Meeting.](#)
- [Subscription.](#)
- [First Meeting of Directors.](#)
- Form of Stock.
- Certification from depository bank that the capital funds have been deposited to the credit of the national bank.

We also certify that we:

- Have met or will meet all of the standard (and special) conditions included in our preliminary approval (or conditional approval) letter.
- Hired a cashier who is/will be in place before our scheduled opening date.
- (If applicable) Made application to the Federal Reserve for membership.
- (If applicable) Received final approval for deposit insurance from the FDIC.
- Designated a compliance officer and a security officer in the minutes of the board of directors.
- Signed a contract with a data processing servicer.

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<sup>1</sup>The notice and minutes of shareholders' meeting may be replaced by a certification of unanimous written consent of all shareholders.

- Activated our general ledger.
- Installed necessary furniture, fixtures, and equipment.
- (If applicable) Completed building construction.
- Fulfilled the minimum security devices requirements of 12 CFR 21.
- Are year 2000 compliant or, if appropriate, have a plan in place to monitor the vendors' year 2000 conversion efforts and have developed contingency plans, including trigger dates, for critical applications should the vendor's solutions or time frames be inadequate.

The following documents are enclosed:

- [Oath and List of National Bank Directors \(Joint/Individual\).](#)
- [Capital Stock Payment Certificate.](#)

**[For charters sponsored by existing holding companies]**

We propose to open on (date) and will await your acknowledgment of final approval, including branch approval (if applicable), before proceeding with the opening.

**[For standard charters]**

We propose to open on (date). Please assign an examiner to conduct a preopening examination approximately two weeks before our desired opening date.

Sincerely,

)Signature)

Secretary of the Board

## Organizing the Bank

### Organizers

1. Within 30 days after receiving preliminary or conditional approval:
  - If not previously provided to the OCC, submit the name of the proposed chief executive officer (CEO) and other previously omitted identifying information about the CEO (address, social security number, etc.).
  - Establish process for maintaining minutes of all meetings of the organizers and organizing board at the bank's corporate headquarters.
  - At the [First Meeting of Organizers](#):
    - Execute [Articles of Association](#) and [Organization Certificate](#) and submit an original of each (see [Instructions—Articles of Association](#)) to the appropriate district office for processing by Licensing staff.
    - Fix the number of organizing directors to serve until the first meeting of the shareholders.
    - Elect as organizing directors the persons who have been cleared by the OCC, including the CEO, if previously identified and not objected to by the OCC.
    - Review and document in the minutes the OCC's preliminary approval or conditional approval letter and all other correspondence from the OCC.
    - Designate the organizing chairperson, secretary, or chief executive officer as the person to initiate and receive all future correspondence from the OCC. If different than the spokesperson during the pre-decision phase of the application, advise the OCC of the new designee.
  - Forward a copy of any filing, including registration statements or nonpublic offering statements, with the Federal Reserve and/or the SEC to the OCC.
2. Advise the Licensing staff at any time during organization of significant changes to a preliminarily approved application.

## Licensing Staff

3. Makes necessary Corporate Activities Information System (CAIS) entries throughout the organization of the bank and forwards a copy to the supervisory office if any significant changes were made during the application process.
4. Reviews any filing, including registration statements or nonpublic offering statements, with the Federal Reserve and/or the SEC for conformance to the operating plan.
5. Reviews [Articles of Association](#) and [Organization Certificate](#) for compliance with legal and policy requirements, and:
  - If any deficiencies are found, contacts the spokesperson and requests corrections.
  - When all requirements have been met, forwards Acknowledgment of Articles of Association and Organization Certificate Letter to the spokesperson.
  - Places acknowledged originals of the [Articles of Association](#) and the [Organization Certificate](#) in the OCC's official file.
6. Evaluates and/or identifies any significant change to a preliminarily approved application at any time during organization, and:
  - Allows organization to continue if the Licensing staff determines that the change is not significant, does not affect the proposal negatively, or otherwise warrant a change in the conditions imposed in the preliminary approval letter.
  - Allows the group to alter or withdraw the proposed change if the Licensing staff determines that it is significant and would adversely affect the proposal.
  - Prepares a recommendation and forwards it to Bank Organization and Structure (BOS) for final decision, if the Licensing staff determines that the proposed change is significant, has occurred already, or adversely affects the proposal, and approving such a change would require additional conditions or revocation.

## BOS

7. Takes one of the following actions on any significant change:
  - Allows the organization to continue.
  - Revises the preliminary approval letter to impose additional conditions and communicates conditions to the organizing group.
  - Revokes preliminary approval. Goes to step 58.
8. Notifies the Licensing staff and the organizing group of the decision and makes appropriate CAIS entries.

## Organizing Directors

9. Hold the organizing board's first meeting. Make appropriate notations of each in the minutes of the following items of business and:
  - Execute [Joint Oath and List of Organizing Directors](#). Execute [Individual Oath of Organizing Director](#) later, if necessary.
  - Authorize, at a minimum, the organizing chairperson and the organizing secretary to the board to sign checks and other documents.
  - Adopt a corporate seal.
  - Adopt a stock certificate form containing all information required by 12 USC 52. The par value of the stock should **not** appear on the face of the certificate, since par value is subject to change throughout the life of the bank.
  - Adopt [Bylaws](#).
  - Discuss stock solicitation issues, including some or all of the following items and:
    - Designate an unrelated insured depository institution as escrow agent of stock subscription funds according to 12 CFR 16.31. Advise the escrow agent that the funds may be invested **only** in U.S. government securities, including a mutual fund consisting exclusively of such securities.
    - Authorize the solicitation of stock subscriptions, including setting the price at which stock will be sold.

- Authorize the preparation and filing of a registration statement with the appropriate district office (see 12 CFR 16.15 for required information).
- Authorize the purchase of adequate insurance.
- Approve the specific location of the bank's office(s) and advise the OCC of any change in location from the one(s) identified in the charter application.
- Approve organization costs consistent with the OCC's organization expense policy (see the Introduction). Attach to the minutes a copy of approved organization costs.
- Review 12 USC 1972 on the use of interbank deposits as compensating balances for loans to persons connected with the depositing bank.
- Adopt a written insider policy that conforms to the guidelines in the "Insider Activities" booklet of the *Comptroller's Handbook*.
- Adopt a written policy that conforms to the guidelines in the "Community Reinvestment Act" booklet of the *Comptroller's Handbook*. [Not applicable for trust companies and institutions serving solely as correspondent banks or as clearing agents that do not extend credit to the public.]
- Establish an internal control system to ensure ongoing compliance with the currency reporting and recordkeeping requirements of the Bank Secrecy Act. Refer to the "Bank Secrecy Act" booklet of the *Comptroller's Handbook* for details. [Not applicable to bankers' banks.]
- Apprise directors of the requirements of 12 USC 375 for purchases from and sales to directors; 12 USC 375b and 12 CFR 215 for Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks; and 12 USC 1972 for correspondent accounts.

## Establishing Management and Site

10. Meet at least monthly as a group with the CEO to discuss the organization of the bank.
11. Thoroughly investigate background and qualifications of each proposed executive officer, using criteria no less stringent than those detailed in the Management Review Guidelines section of the "[Background Investigations](#)" booklet of the *Comptroller's Corporate Manual*.

12. Submit to the OCC materials on proposed management officials.

## Licensing Staff

13. Within 30 days after receipt of materials for each proposed management official, notifies the organizing group by telephone and by letter through the spokesperson whether the OCC:
  - Has no objections to the proposed management official.
  - Needs more time to perform its background investigation of the proposed management official.
  - Desires to conduct a personal interview with the proposed management official.
  - Objects initially to the proposed management official.
14. If a personal interview is conducted, documents the meeting for the file.
15. If the OCC initially objects to the proposed management official:
  - Notifies the person and the organizing directors of the reasons for the OCC's initial objection.
  - Invites submission of additional information from the person and/or the organizing directors.
16. After appropriate consideration, if the OCC still objects to the proposed management official, sends an Objection Letter to the person and organizing directors.
17. If necessary, meets with the CEO and/or others involved with the organization of the bank to review the plans.

## Organizing Directors

18. Review and document in the minutes:
  - Any transactions with insiders, including:
    - Name and address of owner of property or provider of service.
    - Relationship to the bank.
    - Asset or service to be acquired.

- Date property was acquired by current owner, if applicable.
  - Cost of property to current owner or estimate of the cost of services, if applicable.
  - An independent appraisal of any property acquired or an evaluation of lease terms.
  - Any other relevant information that demonstrates that the proposed transaction is fair, reasonable, and comparable with similar arrangements that could have been made with unrelated parties.
  - A board resolution approving the specific details in advance of the transaction.
- The lease or purchase agreement for all bank premises.
  - If the site of the bank's building will have an adverse effect on a historical property as identified by the State's Historic Preservation Office, pursue receipt of a letter from the state that eliminates or resolves the concern. (See the discussion of the National Historic Preservation Act in the Introduction of the "[General Policies and Procedures](#)" booklet.)

## Capitalizing the Bank

### Organizing Directors

19. Take appropriate action to comply with the requirements of 12 CFR 16. Submit a registration statement to the Licensing staff.

### OCC Legal Staff

20. Reviews the registration statement, declares submission effective, and notifies the organizing directors.

### Organizing Directors

21. Before soliciting stock, verify that:
  - The OCC has reviewed and not objected to a proposed president, if different from the CEO, and that the president has been employed.
  - An adequate fidelity insurance bond is in effect.



22. Solicit stock by providing each prospective shareholder with the approved registration statement and Subscription Offer.
23. If the stock is fully subscribed during the offering period, go to step 32.
24. If the period for offering the registration statement expires prior to the sale of all shares of stock, cease soliciting stock and request an extension from the Licensing staff. The organizing directors may request an extension before the statement expires, if it appears likely to expire before the stock will be subscribed fully.
25. If the original offering documents are revised, submit an amended registration statement to the Licensing staff.

### Licensing Staff

26. Reviews request for an extension, makes a decision, and notifies the organizing directors.
27. Reviews revised offering documents, declares submission effective, and notifies the organizing directors.

### Organizing Directors

28. If the extension is approved, add an addendum to the registration statement prior to the continuation of sales to any party, including insiders and other subscribers who may choose to increase their subscriptions.
29. Deposits funds collected in an escrow account with the previously approved escrow agent. (The insured depository institution must have no association with the organizers/organizing directors.)

### Escrow Agent

30. Invests escrow funds directly in, or in a mutual fund consisting solely of, U.S. government securities (i.e., bills, bonds, and notes). (Repurchase agreements are not considered direct deposits and cannot be used as escrow funds.)

### Organizing Directors

31. Prepare and retain at the bank a shareholders' list that conforms to the requirements of 12 USC 62.

### Spokesperson

32. Submits to the OCC appropriate biographical and financial information on newly identified directors and principal shareholders (see "[Background Investigations](#)" booklet).
33. [For bankers' banks only] Submits to the OCC financial reports on newly identified banks that would like to participate in the bankers' bank that are consistent with those submitted by the organizing banks.

## Licensing Staff

34. Within 30 days after receipt, reviews the newly identified directors and principal shareholders following the procedures in steps 13-16.

## Organizing Directors

35. Forward to the OCC the following documents after all capital funds have been received:
  - [Capital Stock Payment Certificate](#).
  - Certification letter from the escrow agent that the capital funds have been deposited in an escrow account to the organizing bank's credit, or certification that a sponsoring company has paid in the capital funds.

## Meeting of Shareholders and Directors

### Organizing Directors

36. Mail the [Notice of First Shareholders' Meeting](#) and [Proxy Statement](#) to shareholders at least 10 days before the scheduled shareholders' meeting. Submit a copy of each document to the Licensing staff.

### Shareholders

37. Document the following in the [Minutes of the First Shareholders' Meeting](#) and:
  - Elect to the board of directors those persons approved by the OCC and identified in the registration statement.

- Approve an itemized list of organization costs, which should be attached to the minutes, and commitments made that will be reimbursed or paid from capital funds.
- Ratify the [Articles of Association](#), [Organization Certificate](#), and all official acts of the organizers, organizing directors, and officers since the organization of the association.
- Conduct any other business that properly may come before the meeting.

## Directors

38. Hold the organization meeting, document the following accomplishments in the minutes of the [First Meeting of Directors](#), and:
  - Complete a [Waiver of Notice of the First Board Meeting](#).
  - Execute the [Joint Oath and List of National Bank Directors](#).
  - Elect the chairman, secretary, and other officers of the board and appoint the president, CEO, cashier, and other executives.
  - Ratify the Bylaws.
  - Elect standing committees as set out in the Bylaws.
  - Select a depository bank.
  - Authorize the CEO (or another person) to maintain contact with the FDIC about the status of the bank's deposit insurance application, if the bank will be insured.

## Secretary of the Board

39. Forwards the [Joint Oath and List of National Bank Directors](#) and, if necessary, [Individual Oath of National Bank Director](#) to the Licensing staff.

## Licensing Staff

40. Places oaths in the bank's official file and retains according to the OCC's record retention policy.

## Organizing Bank Operations

### Directors

41. Select any remaining officer candidates, including a cashier.
42. Appoint a consumer compliance officer and a security officer.

### CEO

43. Orders the forms and establishes the operating systems needed to conduct banking business, using the Bank Administration Institute's new bank checklist and the [Procedures—Preopening Examination](#) found later in this booklet.
44. Requests application forms from the Federal Reserve for membership.
45. Notifies the OCC if there has been a change in location (e.g., specific location for a "vicinity of" location), since the OCC preliminarily approved the application.
46. Takes one of the following actions:
  - Continues with opening preparations, including:
    - Confirmation to the OCC one day prior to the bank's opening date that the bank plans to open.
    - Receipt of final approval of deposit insurance from the FDIC, if the bank will be insured.
    - Submission, at least two weeks prior to commencing operations, of application forms for membership to the appropriate Federal Reserve district governing the bank.
    - Notification to the OCC of any opening date delay, if appropriate.
  - Resolves outstanding matters and advises Licensing staff.

## Preopening Examination (POE)

### CEO

47. At least 60 days in advance of the anticipated opening date, submits an [Organization Completion](#) letter to the Licensing staff that:

- Requests the POE, indicating readiness for opening.
- Stipulates that all standard and special conditions in the preliminary approval letter have been or are being met.
- Certifies that all applicable preceding steps in those procedures have been performed.
- Ensures that the bank is in compliance for year 2000 or , if appropriate, has a plan in place to monitor the vendors' year 2000 conversion efforts and has developed contingency plans, including trigger dates, for critical applications should the vendor's solutions or time frames be inadequate.
- Requests final branch approval, if applicable.

### Licensing Staff/National Bank Examiner (NBE)

48. Requests/conducts POE (see the [Procedures\)Preopening Examination](#) found later in this booklet).

### Licensing Staff

49. Reviews the POE report and completes one of the following tasks:
  - Notifies the bank that it may open.
  - Notifies the bank that it may not open, until certain specific outstanding matters have been resolved.
  - Prepares a memorandum to discuss significant adverse factors and recommends to BOS that the bank's preliminary approval be revoked.

### BOS

50. Takes one of the following actions:
  - Revokes preliminary approval.
  - Imposes additional conditions for of the preliminary approval of the charter.
  - Directs Licensing staff to permit the bank to open.

## **Chartering and Commencing Business**

### **Licensing Staff**

51. Notifies the bank that it may open and sends final approvals, including Authorization for Branches and the Charter Certificate. Files two copies of the bank's Charter Certificate in the OCC's official file.
52. Notifies the escrow agent to release funds.

### **Escrow Agent**

53. After receiving authorization from the OCC to disburse the funds:
  - Releases funds to the bank (approximately two to three days before the scheduled opening date).
  - Returns funds to subscribers, if preliminary approval has been revoked.

### **CEO**

54. Draws on the escrow account to pay organizing expenses approved by the organizing board of directors, shareholders, and board of directors.
55. On the opening day:
  - Notifies Licensing staff that the bank has opened.
  - Issues stock certificates to the stockholders.
  - Pays or capitalizes organizing expenses approved by the shareholders and not objected to by the OCC.
  - Pays for bank premises approved by the shareholders.

### **Federal Reserve**

56. Provides the bank with notification of membership.

## **Close Out**

### **Licensing Staff**

57. Makes CAIS entries.

58. Completes the New Bank Handoff Checklist and, as appropriate, provides copies to the supervisory office of the remaining information listed in the New Bank Handoff Package and other pertinent facts.
59. Forwards all original documents to Central Records after reviewing the files for completeness.

An **existing** bank holding company (BHC) sponsor of a national bank that will own 100 percent of the bank may use these procedures for corporate organization.

## Organizing the Bank

### Organizers

1. Within 30 days after receiving preliminary approval or conditional approval:
  - If not previously provided to the OCC, submit the name of the proposed chief executive officer (CEO) and other previously omitted identifying information about the CEO (e.g., address, social security number, etc.).
  - Establish a process for maintaining minutes of all meetings of the organizers and organizing board at the bank's corporate headquarters.
  - At the [First Meeting of Organizers](#) or by unanimous written consent of organizers:
    - Execute the [Articles of Association](#) and [Organization Certificate](#) and submit an original of each (see the [Instructions — Articles of Association](#)) to the appropriate district office for processing by the Licensing staff.
    - Fix the number of organizing directors who will serve until the first meeting of the shareholders.
    - Elect as organizing directors the persons who have been approved by the OCC, including the CEO, if previously identified and not objected to by the OCC.
    - Review and document in the minutes the OCC's preliminary approval or conditional approval letter and all other correspondence from the OCC.
    - Designate the organizing chairperson, secretary, or chief executive officer as the person to initiate and receive all future



correspondence from the OCC. If different than the spokesperson during the pre-decision phase of the application, submit a letter informing the OCC of the new designee.

- Forward a copy of any filing, including registration statements or nonpublic offering statements, with the Federal Reserve and/or the SEC to the OCC.
2. Advise the Licensing staff at any time during the organization of significant changes to a preliminarily approved application.

## Licensing Staff

3. Makes necessary Corporate Activities Information System (CAIS) entries throughout the organization of the bank.
4. Reviews any filing, including registration statements, nonpublic offerings, and small issues with the Federal Reserve and/or the SEC for conformance to the preliminarily approved application.
5. Reviews [Articles of Association](#) and [Organization Certificate](#) for compliance with legal and policy requirements, and:
  - If any deficiencies are found, contacts the spokesperson and requests corrections.
  - When all requirements have been met, forwards Acknowledgment of Articles of Association and Organization Certificate letter to the spokesperson.
  - Places the original Articles of Association and the Organization Certificate in the OCC's official file.
6. Evaluates and/or identifies any significant change to a preliminarily approved application at any time during organization, and:
  - Allows organization to continue if the Licensing staff determines that the change is not significant, does not negatively affect the proposal, or otherwise warrant a change in the conditions imposed in the preliminary approval letter.
  - Allows the group to alter or withdraw the proposed change if the Licensing staff determines that it is significant and would adversely affect the proposal.
  - Prepares a recommendation and forwards it to the Bank

Organization and Structure Division (BOS) for final decision, if the Licensing staff determines the proposed change is significant, has occurred already, or adversely affects the proposal, and approving such a change would require additional conditions or revocation.

## Bank Organization and Structure (BOS)

7. Takes one of the following actions on any significant change:
  - Allows the organization to continue.
  - Revises the preliminary approval letter to impose additional conditions and communicates conditions to the organizing group.
  - Revokes preliminary approval. Goes to step 34.
8. Notifies the Licensing staff and the organizing group of the decision and makes appropriate CAIS entries.

## Organizing Directors

9. Hold the organizing board's first meeting. Make appropriate notations in the minutes of the following items of business and:
  - Execute the Oath of Organizing Directors.
  - Authorize, at a minimum, the organizing chairperson and the organizing secretary to the board to sign checks and other documents.
  - Adopt a corporate seal.
  - Adopt a stock certificate form containing all information required by 12 USC 52. The par value of the stock should **not** be on the face of the certificate, since par value is subject to change throughout the life of the bank.
  - Adopt Bylaws.
  - Discuss stock solicitation issues, including some or all of the following items and:
    - [De novo BHC] Designate an unrelated insured depository institution as escrow agent of stock subscription funds according to 12 CFR 16.31. Advise the escrow agent that the funds may be invested **only** in U.S. government securities.

- Authorize the solicitation of stock subscriptions, including setting the price at which stock will be sold.
  - [If appropriate] Authorize the preparation and filing of documents required by the SEC with the appropriate district office (see 12 CFR 16.15 for required information).
  - Authorize the purchase of adequate insurance.
  - Approve the specific location of the bank's office(s) and advise the OCC of any change in location from the one(s) identified in the charter application.
  - Approve organization costs consistent with the OCC's organization expense policy (see the Introduction). Attach to the minutes a copy of approved organization costs.
  - Review 12 USC 1972 on the use of interbank deposits as compensating balances for loans to persons connected with the depositing bank.
10. File the [Joint Oath and List of Organizing Directors](#) and, if necessary, the [Individual Oath of Organizing Director](#) with the appropriate district office.

## Establishing Management and Site

### Organizing Directors

11. If necessary, meet with the CEO and/or others involved with the organization of the bank to review the plans.
12. Review and document in the minutes:
- Any transactions with insiders, including:
    - Name and address of owner of property or provider of service.
    - Relationship to the bank.
    - Asset or service to be acquired.
    - Date property was acquired by current owner, if applicable.
    - Cost of property to current owner or estimate of the cost of services, if applicable.

- An independent appraisal of any property acquired or an evaluation of lease terms.
  - Any other relevant information that demonstrates that the proposed transaction is fair, reasonable, and comparable with similar arrangements that could have been made with unrelated parties.
  - A board resolution approving the specific details in advance of the transaction.
- The lease or purchase agreement for all bank premises.
  - If the site of the bank's building will have an adverse effect on a historical property as identified by the State's Historic Preservation Office, pursue receipt of a letter from the state that eliminates or resolves the concern. (See the discussion of National Historic Preservation Act in the Introduction of the "[General Policies and Procedures](#)" booklet.)

## Capitalizing the Bank

### Organizing Directors

13. Take appropriate action to capitalize the bank.
  14. Verify that:
    - The OCC has reviewed and not objected to a proposed president and that the president has been employed.
    - An adequate fidelity insurance bond is in effect.
  15. [If appropriate] Solicit stock by providing each prospective shareholder with any required information under 12 CFR 16.
  16. [De novo BHC] Deposit collected funds in an escrow account with the previously approved escrow agent. The escrow agent, an insured depository institution, must have no association with the organizers/organizing directors.
- [Existing BHC] If the BHC sells stock for the capitalization of the new bank, the BHC should account separately for the funds. If the BHC will capitalize the proposed bank with existing funds, the BHC should account separately for the funds, if the opening date will exceed the customary period for raising capital (12 months after preliminary

approval). In neither case is it necessary to establish an escrow account with another institution nor invest the funds in government securities.

## Escrow Agent

17. [If appropriate] Invests escrow funds directly in, or in a fund consisting solely of, U.S. government securities (i.e., bills, bonds, and notes). (Repurchase agreements are not considered direct deposits and cannot be used as escrow funds.)

## Organizing Directors

18. Prepare and retain at the bank a shareholders' list that conforms to the requirements of 12 USC 62.

## Meeting of Shareholders and Directors

### BHC Shareholder

19. Document the following in the [Minutes of the First Shareholders' Meeting](#) after certifying unanimous written consent, and:
  - Fix the number of directors.
  - Elect to the board of directors those persons approved by the OCC.
  - Approve an itemized list of organization costs, which should be attached to the minutes, and commitments made that will be reimbursed or paid from capital funds.
  - Ratify the [Articles of Association](#), [Organization Certificate](#), and all official acts of the organizers, organizing directors, and officers since the organization of the association.
  - Discuss or complete any other business that properly may come before the meeting.

### Directors

20. Hold the organization meeting, document the following accomplishments in the minutes of the [First Meeting of Directors](#), and:
  - Complete and file a [Waiver of Notice of the First Board Meeting](#).
  - Execute [Joint Oath of National Bank Directors](#).

- Elect the chairman, secretary, and other officers of the board and appoint the president, CEO, cashier, and other executives.
- Ratify the [Bylaws](#).
- Elect standing committees as set out in the Bylaws.
- Select depository bank.
- Authorize the CEO (or another person) to maintain contact with the FDIC about the status of the bank's deposit insurance application, if the bank will be insured.

## Organizing Bank Operations

### Directors

21. Select any remaining officer candidates, including a cashier, a consumer compliance officer, and a security officer.

### CEO

22. Ensures that the bank is in compliance for year 2000 or, if appropriate, has a plan in place to monitor the vendors' year 2000 conversion efforts and has developed contingency plans, including trigger dates, for critical applications should the vendor's solutions or time frames be inadequate.
23. Orders the forms and establishes the operating systems needed to conduct banking business, using the Bank Administration Institute's new bank checklist and the [Procedures—Preopening Examination](#) found later in this booklet.
24. Requests application forms from the Federal Reserve for membership.
25. Notifies the OCC if a change in location (e.g., specific location for a "vicinity of" location) occurred since the OCC preliminarily approved the application.
26. Takes one of the following actions:
  - Continues with opening preparations, including:
    - ) Confirmation to the OCC one day prior to the bank's opening date that capital funds are on deposit in the bank and the bank plans to open.

- ) Receipt of final approval of deposit insurance from the FDIC, if the bank will be insured.
- ) Submission, at least two weeks prior to commencing operations, of application forms for membership to the appropriate Federal Reserve district governing the bank.
- ) Notification to the OCC of any opening date delay, if appropriate.
- Resolves outstanding matters and advises Licensing staff.

## Preopening

### CEO

27. At least 10 days in advance of the anticipated opening date, submits an Organization Completion letter to the Licensing staff that:
  - Certifies completion of organization steps and verifies that documentation is on file at the bank.
  - Forwards the [Capital Stock Payment Certificate](#).
  - Stipulates that all standard and special conditions in the preliminary approval letter have been or are being met.
  - Notifies the Licensing staff of the proposed opening date.
  - Requests final branch approval, if applicable.

### Licensing Staff

28. Reviews the letter and enclosed documents and completes one of the following tasks:
  - Notifies the bank that it may open.
  - Notifies the bank that it may not open, until certain specific outstanding matters have been resolved.
  - Prepares a memorandum to discuss significant adverse factors and recommends to BOS that the bank's preliminary approval be revoked.

## BOS

29. Takes one of the following actions:

- Revokes preliminary approval.
- Imposes additional conditions as part of the preliminary approval of the charter.
- Directs Licensing staff to permit the bank to open.

## Chartering and Commencing Business

### Licensing Staff

30. Notifies the bank that it may open and sends final approvals, including Authorization for Branches and the Charter Certificate. Files two copies of the bank's Charter Certificate in the OCC's official file.

## CEO

31. Draws on the escrow account to pay organizing expenses approved by the organizing board of directors, shareholders, and board of directors.

32. On the opening day:

- Notifies Licensing staff that the bank has opened.
- Issues a stock certificate to the stockholder.
- Pays or capitalizes organizing expenses approved by the shareholder.
- Pays for bank premises approved by the shareholder.

### Federal Reserve

33. Provides the bank with notification of membership.

## Close Out

### Licensing Staff

34. Makes CAIS entries.



35. As appropriate, completes the Checklist in the New Bank Handoff Package and forwards all pertinent information to the appropriate supervisory office.
36. Forwards all original documents to Central Records in the prescribed fashion after reviewing the files for completeness.

## Licensing Staff

1. Requests that the appropriate supervisory office assign a national bank examiner (NBE) to the preopening examination (POE).
2. Provides a Preopening Examination Notification (POE Notification) to the NBE, identifying any special concerns about the bank. If applicable, includes any organizational matters that need attention.

## National Bank Examiner (NBE)

3. Prior to conducting the POE:
  - (If applicable) Reviews special instructions in the POE Notification.
  - Reviews the charter and in organization files, with special attention to the charter application's operating plan.
  - Calls or visits the bank to determine if it is prepared for the review (if applicable). This interview may include a discussion of the disposition of key policies and procedures and of the completeness of staff and facilities.
4. Within two weeks of the anticipated opening date, visits the bank to certify that it has complied with all standard requirements and special conditions in the preliminary [conditional] approval letter, including the [Minimum Policies and Procedures](#). The NBE should contact the assigned licensing analyst immediately, if any of the conditions have not been or will not be met by the proposed opening date.
5. As necessary, reviews any or all of the following at the bank:
  - Written policies and procedures.
  - Sample forms.
  - Board and/or board committee minutes and reports or proposed reports.
  - Shareholder(s) meeting minutes.

- Stock certificates and shareholders list.
  - Engagement letter from external auditor.
  - Contracts and lease agreement.
  - Fidelity bonds.
  - Organizational documents.
  - Any other bank documents needed to reach an informed decision.
6. Determines whether the bank has:
- Fulfilled all statutory and regulatory requirements for organization by:
    - ) Hiring a cashier.
    - ) Filing for membership in the Federal Reserve System (see 12 CFR 209).
    - ) If applicable, addressing all items identified by Licensing staff as requiring follow-up.
  - Adhered to the operating plan submitted to the OCC in the charter application.
  - Established satisfactory operational procedures and policies.
  - Complied with year 2000 guidance or, if appropriate, developed a plan to monitor the vendors' year 2000 conversion efforts, and made contingency plans, including trigger dates, for critical applications should the vendor's solutions or time frames be inadequate.
7. Discusses management's and the board of directors' plans for the bank after opening. Reaffirms consistency with the proposed operating plan.
8. Meets with management and the board of directors at the conclusion of the visit to inform them of the findings, and:
- Discusses deficiencies, recommendations, and suggestions with both proposed management and the board of directors.
  - Informs only OCC personnel of the contents of the POE report.
9. Prepares and forwards to the assigned licensing analyst (no later than the

date identified in the POE notification letter) a report of the findings, and:

- Summarizes briefly findings, especially those pertaining to the effect of any major deviations (positive or negative) from the operating plan on proposed operations.
- Includes one of the following recommendations:
  - The bank should be permitted to open.
  - Deficiencies should be corrected prior to opening.
  - Preliminary approval should be revoked and the bank should not be permitted to open.

10. Retains in the supervisory office files:

- Charter application and related documents.
- In organization files.
- POE working papers, including a copy of the report.

11. Prepares a supervisory strategy for the bank in SMS, using information such as the charter application (e.g., operating plan projections), results of the field investigation, supervisory issues and/or licensing concerns noted during the chartering process, and the POE.

<b>Affiliates, Transactions with</b> Laws	12 USC 371c, 371c-1
<b>Articles of Association</b> Laws	12 USC 21, 21a
<i>Indemnification</i> Regulation	12 CFR 7.2014
<i>Lost Stock Certificates</i> Regulation	12 CFR 7.2018
<i>Preemptive Rights</i> Regulation	12 CFR 7.2021
<i>Quorum</i> Regulation	12 CFR 7.2009
<i>Shareholder Meetings</i> Laws	12 USC 71, 75
Regulation	12 CFR 7.2001
<i>Vacancies in Board</i> Law	12 USC 74
Regulation	12 CFR 7.2007
<b>Authorization to Commence Banking Business</b> Laws	12 USC 26, 27
<b>Background Investigations</b> Regulations	28 CFR 16.34, 50.12
<b>Bank Premises, Investment in</b> Law	12 USC 371d
Regulation	12 CFR 5.37
<b>Bank Protection Act</b> Laws	12 USC 1882, 1884
Regulation	12 CFR 21
<b>Bank Secrecy Act</b> Regulation	31 CFR 103
<b>Branches</b> Law	12 USC 36
Regulation	12 CFR 5.30

**Bylaws**

<i>Cashier</i>	
Regulation	12 CFR 7.2015
<i>Lost Stock Certificates</i>	
Regulation	12 CFR 7.2018
<i>Quorum</i>	
Regulation	12 CFR 7.2009
<i>Shareholder Meetings</i>	
Laws	12 USC 71, 75
Regulation	12 CFR 7.2001
<i>Stock Certificate Signatures</i>	
Law	12 USC 52
Regulation	12 CFR 7.2017

**Capital Stock**

Laws	12 USC 51c, 52
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**Capital Stock Required to Commence Business**

Law	12 USC 53
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**Capital Structure Change**

Laws	12 USC 57, 59
Regulation	12 CFR 5.46

**Certificate ("Charter")**

Law	12 USC 27
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**Change in Control**

Law	12 USC 1817(j)
Regulation	12 CFR 5.50

**Changes in Directors and Senior Executive Officers**

Law	12 USC 1831i
Regulation	12 CFR 5.51

**Civil Money Penalties**

Laws	12 USC 504, 1818(l); 18 USC 1001, 1007
Issuance	PPM-5000-7 (Rev.)

**Community Development Corporation and Project Investments**

Law	12 USC 24(Eleventh)
Regulation	12 CFR 24

**Community Reinvestment Act**

Laws	12 USC 2901 et. seq.
Regulation	12 CFR 25

<b>Convicted Individuals</b>	
Law	12 USC 1829
<b>Corporate Powers and Investment Securities</b>	
Law	12 USC 24
Regulation	12 CFR 1
<b>Covered Transactions</b>	
Laws	12 USC 371c, 371c-1
<b>Depository Institutions Management Interlocks Act</b>	
Laws	12 USC 3201-3208
Regulation	12 CFR 26
<b>Directors</b>	
<i>Citizenship Requirement</i>	
Law	12 USC 72
<i>Convicted of a Crime</i>	
Law	12 USC 1829
<i>Delegation of Duties</i>	
Regulation	12 CFR 7.2010
<i>Election</i>	
Laws	12 USC 61, 71, 75
Regulations	12 CFR 7.2003, 7.2006
<i>Engaged in Underwriting</i>	
Law	12 USC. 78
<i>Extensions of Credit</i>	
Law	12 USC 375b
Regulations	12 CFR 31, 215
<i>Honorary</i>	
Regulation	12 CFR 7.2004
<i>Indemnification of</i>	
Regulation	12 CFR 7.2014
<i>Liability</i>	
Laws	12 USC 93, 503
<i>Number of</i>	
Law	12 USC 71a
<i>Oath of</i>	
Law	12 USC 73
Regulation	12 CFR 7.2008
<i>Payment of Interest</i>	
Law	12 USC 376
<i>President as</i>	
Law	12 USC 76
Regulation	12 CFR 7.2012
<i>Proxy, as</i>	
Regulation	12 CFR 7.2002

<i>Purchases from and Sales to</i>	
Law	12 USC 375
<i>Qualification of</i>	
Law	12 USC 72
Regulation	12 CFR 7.2005
<i>Quorum of</i>	
Regulation	12 CFR 7.2009
<i>Residency</i>	
Law	12 USC 72
<i>Vacancy in</i>	
Law	12 USC 74
Regulation	12 CFR 7.2007
<b>Employee Retirement Income Security Act (ERISA) of 1974</b>	
Law	29 USC 1001
<b>Examination of National Banks</b>	
Law	12 USC 481
<b>Executive Officers</b>	
<i>Extensions of Credit</i>	
Law	12 USC 375a
Regulation	12 CFR 215
<i>Liability</i>	
Laws	12 USC 93, 504
<i>Loans to</i>	
Law	12 USC 375a
Regulation	12 CFR 215
<i>Payment of Interest to</i>	
Law	12 USC 376
<b>FDIC Insurance</b>	
Laws	12 USC 1815, 1816
Regulation	12 CFR 327
<b>Federal Reserve Board Membership</b>	
Laws	12 USC 222, 501a
Regulation	12 CFR 209
<b>Fiduciary Activities</b>	
Law	12 USC 92a
Regulation	12 CFR 9
<b>Filing Fees</b>	
Regulation	12 CFR 5.5



<b>Fraudulent Statements</b>	
Law	18 USC 1001
<b>Indemnification of Directors, Officers, and Employees</b>	
Regulation	12 CFR 7.2014
<b>Independent External Audit</b>	
Law	12 USC 1831m
<b>Insider Activities</b>	
Laws	12 USC 375, 375a, 375b, 376
Regulations	12 CFR 31, 215
Publication	<i>Comptroller's Handbook</i> , "Insider Activities"
<b>Insurance, Sale of</b>	
Law	12 USC 92
<b>Interlocking Directors and Officers</b>	
Laws	12 USC 78 and 3201, 15 USC 19
Regulation	12 CFR 26
<b>Location, Change of</b>	
Law	12 USC 30
Regulation	12 CFR 5.40
<b>Lotteries, Participation in</b>	
Law	12 CFR 25a
<b>Name</b>	
Laws	12 USC 22, 30, 35
Regulation	12 CFR 5.42
<b>National Environmental Policy Act</b>	
Laws	42 USC 4321-4347
Regulation	40 CFR 1500
<b>National Historic Preservation Act</b>	
Laws	16 USC 470-470x-6
Regulation	36 CFR 800
<b>Organization Certificate</b>	
Laws	12 USC 22, 23

<b>Organization Costs</b>	
Regulation	12 CFR 5.20
<b>Organization of National Bank</b>	
Law	12 USC 21
Regulation	12 CFR 5.20
<b>Place of Business</b>	
Laws	12 USC 22, 81
<b>Recordkeeping and Confirmation Requirements for Securities Transactions Regulation</b>	12 CFR 12
<b>Securities Offering Disclosure Rules</b>	
Regulation	12 CFR 16
<b>Security Devices and Procedures</b>	
Laws	12 USC 1882, 1884
Regulation	12 CFR 21
<b>Shareholders' List</b>	
Law	12 USC 62
<b>Theft, Embezzlement, or Misapplication</b>	
Law	18 USC 656
Regulation	12 CFR 21
<b>Title</b>	
Laws	12 USC 22, 30, 35
Regulation	12 CFR 5.40
<b>Voting Trusts</b>	
Regulations	12 CFR 5.50, 7.2022
<b>Year 2000 Issues</b>	
Advisory Letters	OCC <a href="#">AL 97-6</a> , <a href="#">97-10</a> , <a href="#">98-1</a> , <a href="#">98-3</a>
<a href="#">Letter to CEO of National Banks and Bank Vendor Companies on Year 2000, dated September 30, 1997</a>	